

ANNUAL BUDGET OF
UMNGENI MUNICIPALITY



2013/14 TO 2015/16
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

| | | | |
|--------|--|-------|---|
| ASGISA | Accelerated and Shared Growth Initiative | M | Mayor |
| BPC | Budget Planning Committee | MBRR | Municipal Budget & Reporting Regulations |
| CFO | Chief Financial Officer | MEC | Member of the Executive Committee |
| CM | Municipality Manager | MFMA | Municipal Financial Management Act |
| CPI | Consumer Price Index | MIG | Municipal Infrastructure Grant |
| CRRF | Capital Replacement Reserve Fund | MPRA | Municipal Properties Rates Act |
| DBSA | Development Bank of South Africa | MSA | Municipal Systems Act |
| DoRA | Division of Revenue Act | MTEF | Medium-term Expenditure Framework |
| DWA | Department of Water Affairs | MTREF | Medium-term Revenue and Expenditure Framework |
| EE | Employment Equity | NERSA | National Electricity Regulator South Africa |
| EEDSM | Energy Efficiency Demand Side Management | NGO | Non-Governmental Organisations |
| FBS | Free basic services | NKPIs | National Key Performance Indicators |
| GAMAP | Generally Accepted Municipal Accounting Practice | OHS | Occupational Health and Safety |
| GDP | Gross Domestic Product | OP | Operational Plan |
| GDS | Gauteng Growth and Development Strategy | PBO | Public Benefit Organisations |
| GFS | Government Financial Statistics | PHC | Provincial Health Care |
| GRAP | General Recognised Accounting Practice | PMS | Performance Management System |
| HR | Human Resources | PPE | Property Plant and Equipment |
| HSRC | Human Science Research Council | PPP | Public Private Partnership |
| IDP | Integrated Development Plan | PTIS | Public Transport Infrastructure System |
| IT | Information Technology | RG | Restructuring Grant |
| kℓ | kilolitre | RSC | Regional Services Council |
| km | kilometre | SALGA | South African Local Government Association |
| KPA | Key Performance Area | SAPS | South African Police Service |
| KPI | Key Performance Indicator | SDBIP | Service Delivery Budget |
| kWh | kilowatt hour | | |
| ℓ | litre | | |
| LED | Local Economic Development | | |
| | | | Implementation Plan |
| | | SMME | Small Micro and Medium Enterprises |

Part 1 – Annual Budget

1.1 Mayor's Report

SPEECH BY THE MAYOR OF uMNGENI MUNICIPALITY

CLLR M.P. MYENI PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE
TABLING OF THE 2013/2014, 2014/2015, 2015/2016 DRAFT BUDGET IN THE COUNCIL
CHAMBERS, HOWICK,

ON WEDNESDAY 27 FEBRUARY 2013

1.2 Council Resolutions

On 27 February 2013 the Council of UMngeni Municipality Local Municipality met in the Council Chambers of UMngeni Municipality to consider the annual budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of uMngeni Municipality for the financial year 2013/2014 and indicative allocations for the two projected outer years 2014/2015 and 2015/2016, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of electricity, refuse removal and all other tariffs as set out in Other Supporting Documents be approved with effect from 1 July 2013.
4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be approved
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be approved.
6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved be approved with effect from 1 July 2013
7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved
8. That the Basic Services Package of Electricity and Refuse Removal as set out in the Tariff Policy be approved
9. That the salaries, wages and allowances of all employees be increased in accordance with the multi-year SALGBC wage agreement with effect from 1 July 2013.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circulars No. 66 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/14 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

| R thousand | Adjustments Budget 2012/2013 | Budget Year 2013/2014 | Budget Year + 1 2014/2015 | Budget Year + 2 2015/2016 |
|--------------------------------|---------------------------------|--------------------------|------------------------------|------------------------------|
| Total Operating Revenue | 230,581,000 | 271,259,000 | 287,025,000 | 307,499,000 |
| Total Operating Expenditure | 230,377,000 | 260,634,000 | 273,509,000 | 290,132,000 |
| Surplus/(Deficit) for the year | 204,000 | 10,625,000 | 13,516,000 | 17,366,999 |
| Total Capital Expenditure | 21,809,000 | 32,262,000 | 34,810,000 | 38,478,000 |

Total operating revenue has increased by 17.6 per cent or R40.678million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 5.8 and 7.1 per cent respectively, equating to a total revenue growth of R76.9 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R260.6 million and translates into a budgeted surplus of R10.6 million. When compared to the 2012/13

Adjustments Budget, operational expenditure has increased by 13.1 per cent in the 2013/14 budget and increased by 4.9 and 6.0 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R13.5 and R17.6 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R32.2 million for 2013/14 is 47.9 per cent more when compared to the 2012/13 Adjustment Budget. The increase is due to various projects being financed through the contribution from own funds, i.e. capital replacement reserve. Capital projects funded through the Municipal Infrastructure Grant and through the Capital Replacement Reserve are included in the 2013/14 capital budget. The capital programme increases to R34.8 million in the 2014/15 financial year and then increases to R38.4 million in 2015/16. Note that the Municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term.

1.4 Operating Revenue Framework

For UMngeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

| Description R thousand | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year 2014/15 | Budget Year 2015/16 |
| Revenue By Source | | | | | | | | | | |
| Property rates | 65,228 | 76,748 | 91,124 | 98,376 | 100,005 | 100,005 | 100,005 | 117,655 | 124,463 | 131,414 |
| Property rates - penalties & collection charges | 2,580 | 3,380 | 2,319 | 3,419 | 3,419 | 3,419 | 3,419 | 3,607 | 3,791 | 3,977 |
| Service charges - electricity revenue | 30,907 | 36,332 | 50,448 | 54,858 | 54,858 | 54,858 | 54,858 | 65,275 | 70,570 | 77,395 |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 8,164 | 10,232 | 8,190 | 3,703 | 3,703 | 3,703 | 3,703 | 7,940 | 7,379 | 7,456 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 414 | 789 | 951 | 1,002 | 1,002 | 1,002 | 1,002 | 1,052 | 1,106 | 1,160 |
| Interest earned - external investments | 257 | 481 | - | 300 | 300 | 300 | 300 | 352 | 370 | 389 |
| Interest earned - outstanding debtors | 1,562 | 1,155 | 1,285 | 1,009 | 1,009 | 1,009 | 1,009 | 1,065 | 1,119 | 1,174 |
| Dividends received | - | - | - | - | - | - | - | - | - | - |
| Fines | 376 | 16 | 3,823 | 6,263 | 6,263 | 6,263 | 6,263 | 12,242 | 12,867 | 13,497 |
| Licences and permits | 2,697 | 2,940 | 1,930 | 1,879 | 1,879 | 1,879 | 1,879 | 2,310 | 2,428 | 2,547 |
| Agency services | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - operational | 50,013 | 51,673 | 57,259 | 39,707 | 46,008 | 46,008 | 46,008 | 45,252 | 46,920 | 51,354 |
| Other revenue | 29,785 | 32,177 | 22,657 | 13,121 | 12,135 | 12,135 | 12,135 | 14,507 | 16,011 | 17,135 |
| Gains on disposal of PPE | 364 | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 192,345 | 215,923 | 239,985 | 223,637 | 230,581 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |

Table 3 Percentage growth in revenue by main revenue source

| Description R thousand | 2013/14 Medium Term Revenue & Expenditure Framework | | | | | |
|---------------------------------------|---|---------------|--------------------|---------------|--------------------|---------------|
| | 2013/14 | % | 2014/15 | % | 2015/16 | % |
| Revenue By Source | | | | | | |
| Property Rates | 117,655,000 | 43.4% | 124,463,000 | 43.4% | 131,414,000 | 42.7% |
| Penalties Imposed | 3,607,000 | 1.3% | 3,791,000 | 1.3% | 3,977,000 | 1.3% |
| User Charges for Services | 73,215,000 | 27.0% | 77,949,000 | 27.2% | 84,851,000 | 27.6% |
| Rent of Facilities & Equipment | 1,052,000 | 0.4% | 1,106,000 | 0.4% | 1,160,000 | 0.4% |
| Interest Earned- External Investments | 352,000 | 0.1% | 370,000 | 0.1% | 389,000 | 0.1% |
| Interest Earned- Outstanding Debtors | 1,065,000 | 0.4% | 1,119,000 | 0.4% | 1,174,000 | 0.4% |
| Fines | 12,242,000 | 4.5% | 12,867,000 | 4.5% | 13,497,000 | 4.4% |
| Licences & Permits | 2,310,000 | 0.9% | 2,428,000 | 0.8% | 2,547,000 | 0.8% |
| Operating Grants & Subsidies | 45,252,000 | 16.7% | 46,920,000 | 16.3% | 51,354,000 | 16.7% |
| Other Income | 14,507,000 | 5.3% | 16,011,000 | 5.6% | 17,135,000 | 5.6% |
| NET OPERATING INCOME | 271,259,000 | 100.0% | 287,025,000 | 100.0% | 307,499,000 | 100.0% |
| Total Revenue from Rates & Services | 194,477,000 | 71.7% | 206,203,000 | 71.8% | 220,242,000 | 71.6% |

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges totalled R161.9 million or 70.2 per cent. This increases to R194.5 million, R206.2 million and R220.2 million in the respective financial years of the MTREF. This growth can be mainly attributed to the 3 supplementary valuation rolls and the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 59 MBRR SA1 (see page 122).

Property rates are the largest revenue source totalling 44.7 per cent or R121.2 million rand and increases to R135.3 million by 2015/16. The second largest source is user charges for services which consists of sale of electricity and refuse removal charges. Operating Grants & Subsidies are the third largest revenue source totalling 16.7 per cent in 2013/14 and remains at 18.4 per cent in 2015/16. Departments have been urged to review the tariffs of items like building plan fees, connection fees, advertisements and permits and licenses on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R45.2 million in the 2013/14 financial year and steadily increases to R51.3 million by 2015/16. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

| Description R thousand | Medium Term Revenue & Expenditure Framework | | |
|--|---|-------------------|-------------------|
| | 2013/14 | 2014/15 | 2015/16 |
| Receipts: | | | |
| <u>Operating Transfers & Grants</u> | | | |
| National Government: | 41,648,000 | 43,933,000 | 48,220,000 |
| Financial Management Grant | 1,550,000 | 1,600,000 | 1,650,000 |
| Municipal Systems Improvement Grant | 890,000 | 934,000 | 967,000 |
| Expanded Public Works Programme | 1,000,000 | - | - |
| Local Government Equitable Share | 34,038,000 | 36,402,000 | 40,455,000 |
| Special Support for Councillor's Remuneration | 3,170,000 | 3,997,000 | 4,148,000 |
| Neighbourhood Development Partnership Grant | 1,000,000 | 1,000,000 | 1,000,000 |
| <u>Provincial Government:</u> | 2,844,000 | 2,987,000 | 3,134,000 |
| Primary Health Care | | | |
| Museum Subsidy | 143,000 | 151,000 | 166,000 |
| Provincialisation of Libraries | 2,461,000 | 2,584,000 | 2,703,000 |
| Community Library Services Grant | 240,000 | 252,000 | 265,000 |
| Total Operating Transfers & Grants | 44,492,000 | 46,920,000 | 51,354,000 |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality.

Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No. 66 and 67 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 30 per cent rebate will be granted on all residential properties;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 60 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed R9000 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur

sport. The owner of such a property must apply to the Council in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/4 financial year based on the proposed rate randage of 1.37 cents in the Rand from 1 July 2013 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2012/13 financial year

| Category | Category | Proposed Tariff (1 July 2013) | Proposed Rebates (from 1 July 2013) |
|---------------------------------------|----------|----------------------------------|--|
| | | c | % |
| Residential | | 1.37c/R | 30% |
| Industrial | | 1.37c/R | 0% |
| Business & Commercial | | 1.37c/R | 0% |
| Farms- Agriculture | | 1.37c/R | 82.5% |
| Farms- Commercial | | 1.37c/R | 82.5% |
| Farms-Residential | | 1.37c/R | 82.5% |
| State Owned Properties | | 1.37c/R | 30% |
| Municipal Properties | | 1.37c/R | 100% |
| Public Service Infrastructure (Roads) | | 1.37c/R | 100% |
| Public Service Infrastructure (Other) | | 1.37c/R | 82.5% |
| Private Towns | | 1.37c/R | 0% |
| Informal Settlements | | 1.37c/R | 30% |
| Mining & Quarries | | 1.37c/R | 82.5% |
| Vacant Land | | 1.37c/R | 0% |
| Protected Areas | | 1.37c/R | 100% |
| National Monuments | | 1.37c/R | 100% |
| Multi-Purpose | | 1.37c/R | 0% |
| Smallholdings- Agriculture | | 1.37c/R | 82.5% |
| Smallholdings- Commercial | | 1.37c/R | 82.5% |
| Smallholdings- Residential | | 1.37c/R | 82.5% |
| Smallholdings- Other | | 1.37c/R | 82.5% |
| Farms- Other | | 1.37c/R | 82.5% |

1.4.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An 8 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff for high consumers had to be increased by 8 per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 100 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

| Monthly Consumption kWh | Current Tariffs Payable | Proposed Tariffs Payable | Percentage Increase |
|-------------------------|-------------------------|--------------------------|---------------------|
| 1- 50 kWh | 64c/kWh | 69c/kWh | 7.81% |
| 51-350 kWh | 78c/kWh | 84c/kWh | 7.69% |
| 351-600 kWh | 101c/kWh | 109c/kWh | 7.92% |
| 601kWh and above | 122c/kWh | 132c/kWh | 8.20% |

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). This Municipality has already implemented the stepped tariff structure from 1 July 2010 and will continue with this practice in 2013/14.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2013/14 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.4.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2013. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2013:

Table 7 Comparison between current waste removal fees and increases

| Type of Consumer | Description | Current Tariffs 2012/13 | Proposed Tariffs 2013/14 |
|--------------------------------|--|----------------------------|-----------------------------|
| Domestic Consumers | Consumers/Ratepayers with total market value per property up to R200 000 | Free | Free |
| | Consumers/Ratepayers with property values in excess of R200 000 | R48.20 per month | R51.09 per month |
| Commercial Consumers | One Collection per week per 120 liter bin | R90.00 per month | R95.40 per month |
| Government Institutions | One Collection per week per 120 liter bin | R80.00 per month | R84.80 per month |

1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6.0 and 6.6 per cent, with the increase for indigent households closer to 6.0 per cent. Electricity increases however impacts on the total household bill.

Table 8 MBRR Table SA14 – Household bills

| Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|-------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 % incr. | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Rand/cent | | | | | | | | | | |
| Income Range' | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | |
| Property rates | 4,821.00 | 5,067.30 | 5,422.90 | 5,124.00 | 5,748.27 | 6,093.17 | 7.0% | 6,093.17 | 6,434.96 | 6,742.00 |
| Electricity: Basic levy | 151.50 | 79.80 | 84.27 | 84.59 | 89.66 | 90.23 | 12.0% | 94.50 | 106.56 | 118.45 |
| Electricity: Consumption | 392.70 | 766.00 | 905.00 | 811.96 | 860.68 | 880.78 | 12.0% | 901.62 | 1,000.96 | 1,102.89 |
| Water: Basic levy | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | - | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Refuse removal | 40.00 | 42.86 | 45.40 | 45.40 | 45.37 | 45.80 | 12.0% | 50.98 | 53.83 | 56.84 |
| Other | - | - | - | - | - | - | - | - | - | - |
| sub-total | 5,405.20 | 5,955.96 | 6,457.57 | 6,065.95 | 6,743.98 | 7,109.98 | 17.7% | 7,140.27 | 7,596.31 | 8,020.18 |
| VAT on Services | 81.79 | 124.41 | 144.85 | 131.87 | 139.40 | 142.35 | 0.01 | 146.59 | 162.59 | 178.95 |
| Total large household bill: | 5,486.99 | 6,080.37 | 6,602.42 | 6,197.82 | 6,883.38 | 7,252.33 | 17.6% | 7,286.86 | 7,758.90 | 8,199.13 |
| % increase/-decrease | | 10.8% | 8.6% | (6.1%) | 11.1% | 5.4% | | 0.5% | 6.5% | 5.7% |
| 'Affordable Range' | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | |
| Property rates | 3,476.55 | 3,644.87 | 3,900.65 | 3,586.80 | - | 3,586.80 | - | 3,802.01 | 4,018.07 | 4,218.97 |
| Electricity: Basic levy | 151.50 | 79.80 | 84.27 | 84.59 | - | 90.23 | 12.0% | 94.50 | 106.56 | 118.45 |
| Electricity: Consumption | 206.17 | 373.80 | 379.00 | 397.95 | - | 397.95 | 11.0% | 436.01 | 484.10 | 537.50 |
| Water: Basic levy | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | - | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Refuse removal | 40.00 | 42.80 | 45.40 | 47.67 | - | 47.67 | 50.1% | 52.55 | 55.18 | 57.94 |
| Other | - | - | - | - | - | - | - | - | - | - |
| sub-total | 3,874.22 | 4,141.27 | 4,409.32 | 4,117.01 | - | 4,122.65 | 6.5% | 4,385.07 | 4,663.91 | 4,932.86 |
| VAT on Services | 55.67 | 69.50 | 71.21 | 74.23 | - | 75.02 | 0.01 | 81.63 | 90.42 | 99.94 |
| Total small household bill: | 3,929.89 | 4,210.77 | 4,480.53 | 4,191.24 | - | 4,197.67 | 6.6% | 4,466.70 | 4,754.33 | 5,032.80 |
| % increase/-decrease | | 7.1% | 6.4% | (6.5%) | (100.0%) | - | | 6.4% | 6.4% | 5.9% |
| | | | (0.10) | (2.01) | 14.49 | (1.00) | | | | |
| Monthly Account for Household - 'Indigent' | | | | | | | | | | |
| Household receiving free basic services | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | |
| Property rates | 1,969.07 | 2,107.25 | 1,793.40 | 1,883.07 | - | 1,883.07 | 6.3% | 1,901.00 | 2,007.46 | 2,119.80 |
| Electricity: Basic levy | 151.50 | 79.80 | 84.27 | 84.59 | - | 90.23 | 12.6% | 94.50 | 106.56 | 118.45 |
| Electricity: Consumption | 144.32 | 222.60 | 249.38 | 261.85 | - | 261.85 | 11.6% | 276.87 | 307.42 | 341.32 |
| Water: Basic levy | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | - | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Refuse removal | 40.00 | 42.80 | 45.40 | 47.67 | - | 47.67 | 50.1% | 52.55 | 55.18 | 57.94 |
| Other | - | - | - | - | - | - | - | - | - | - |
| sub-total | 2,304.89 | 2,452.45 | 2,172.45 | 2,277.18 | - | 2,282.82 | 2.1% | 2,324.92 | 2,476.62 | 2,637.51 |
| VAT on Services | 47.01 | 48.33 | 53.07 | 55.18 | - | 55.97 | (0.01) | 59.35 | 65.68 | 72.48 |
| Total small household bill: | 2,351.90 | 2,500.78 | 2,225.52 | 2,332.36 | - | 2,338.79 | 2.2% | 2,384.27 | 2,542.30 | 2,709.99 |
| % increase/-decrease | | 6.3% | (11.0%) | 4.8% | (100.0%) | - | | 1.9% | 6.6% | 6.6% |

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by standard classification item

| Expenditure By Type | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Employee related costs | 65,109 | 67,930 | 73,267 | 73,389 | 73,389 | 73,389 | 73,389 | 78,811 | 83,854 | 89,221 |
| Remuneration of councillors | 4,067 | 4,198 | 5,168 | 5,426 | 5,426 | 5,426 | 5,426 | 5,836 | 6,186 | 6,557 |
| Debt impairment | 2,736 | 4,912 | 18,585 | 3,000 | 3,000 | 3,000 | 3,000 | 528 | 554 | 582 |
| Depreciation & asset impairment | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 9,704 | 10,108 | 10,563 | 10,985 |
| Finance charges | 4,832 | 5,772 | 6,140 | 4,209 | 4,209 | 4,209 | 4,209 | 4,804 | 4,623 | 4,075 |
| Bulk purchases | 29,225 | 38,383 | 51,625 | 58,865 | 64,523 | 64,523 | 64,523 | 69,955 | 75,551 | 81,595 |
| Other materials | | | | | | | | | | |
| Contracted services | 2,389 | 2,019 | 1,063 | 4,500 | 2,000 | 2,000 | 2,000 | 4,000 | 4,668 | 4,897 |
| Transfers and grants | - | - | 2,379 | - | - | - | - | - | - | - |
| Other expenditure | 62,811 | 67,844 | 59,479 | 64,385 | 68,126 | 68,126 | 68,126 | 86,593 | 87,509 | 92,219 |
| Loss on disposal of PPE | | | 65 | | | | | | | |
| Total Expenditure | 179,357 | 199,784 | 230,482 | 223,478 | 230,377 | 230,377 | 230,377 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) | 12,988 | 16,139 | 9,503 | 159 | 203 | 203 | 203 | 10,624 | 13,516 | 17,367 |
| Transfers recognised - capital | | | | 16,190 | 21,605 | 21,605 | 21,605 | 21,912 | 22,429 | 23,868 |
| Contributions recognised - capital | - | - | - | - | - | - | - | (32,262) | (34,810) | (38,478) |
| Contributed assets | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Taxation | | | | | | | | | | |
| Surplus/(Deficit) after taxation | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Attributable to minorities | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Share of surplus/ (deficit) of associate | | | | | | | | | | |
| Surplus/(Deficit) for the year | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |

The budgeted allocation for employee related costs for the 2013/14 financial year totals R78.8 million, which equals 30.2 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2013/14 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF. As part of the planning assumptions and interventions all vacancies were originally removed from the budget but as part of the national initiative to concentrate on job creation provision was made to fill at least 50 vacancies of General Workers in Technical Services with effect from 1 July 2013. The new organisational structure approved by Council resulted in huge savings in employee related costs in such an extent that the percentage staff costs in relation to the total operating budget reduced to 30.2% compared to 31.9% in 2012/13. This is after provision was made for an 6.85% increase as per the Salary Wage Agreement. In addition expenditure against overtime was included amounting to R3 million.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public

Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 75 per cent and the Debt Write-off Policy of the Municipality. For the 2013/14 financial year this amount equates to R3.7 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R6.36 million for the 2013/14 financial and equates to 2.4 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.8 per cent (R4.8 million) of operating expenditure excluding annual redemption for 2013/14 and decreases to R4.075 million by 2015/16. As previously noted, the Municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 1.8 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2013/14 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/14 financial year, this group of expenditure totals R4 million. For the two outer years growth has been limited to R4.6 and R4.8 million respectively. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2013/14 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6 per cent for 2013/14 and curbed at 6 per cent for the two outer years, indicating that significant cost savings have been already realised.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational

repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|--------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 | |
| R thousand | 1 | | | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | 7 | 6,146 | - | - | - | - | - | 21,100 | 21,089 | 21,918 | |
| Infrastructure - Road transport | | 3,678 | - | - | - | - | - | 10,930 | 11,487 | 11,845 | |
| Roads, Pavements & Bridges | | 2,996 | | | | | | 7,900 | 8,303 | 8,710 | |
| Storm water | | 682 | | | | | | 3,030 | 3,185 | 3,136 | |
| Infrastructure - Electricity | | 2,468 | - | - | - | - | - | 8,310 | 7,647 | 8,022 | |
| Generation | | | | | | | | | | | |
| Transmission & Reticulation | | 2,468 | | | | | | 8,310 | 7,647 | 8,022 | |
| Street Lighting | | | | | | | | | | | |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | |
| Infrastructure - Other | | - | - | - | - | - | - | - | 1,860 | 1,955 | 2,051 |
| Community | | | 1,720 | - | - | - | - | - | 8,222 | 7,513 | 6,926 |
| Parks & gardens | | 8 | 1,023 | | | | | | 800 | 841 | 882 |
| Community halls | | | 32 | | | | | | 160 | 168 | 176 |
| Libraries | 213 | | | | | | | 116 | 122 | 128 | |
| Security and policing | 267 | | | | | | | 231 | 243 | 255 | |
| Buses | - | | | | | | | - | - | - | |
| Clinics | 13 | | | | | | | - | - | - | |
| Museums & Art Galleries | 10 | | | | | | | 574 | 603 | 633 | |
| Cemeteries | 51 | | | | | | | 60 | 63 | 66 | |
| Social rental housing | 111 | | | | | | | 60 | 63 | 66 | |
| Other | | | | | | | | 6,055 | 5,236 | 4,538 | |
| Heritage assets | 10 | - | - | - | - | - | - | - | - | - | |
| Investment properties | | - | - | - | - | - | - | - | - | - | |
| Other assets | | 144 | - | - | - | - | - | - | - | - | |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | |
| Civic Land and Buildings | | 144 | | | | | | | | | |
| Other Buildings | | | | | | | | | | | |
| Agricultural assets | | - | - | - | - | - | - | - | - | - | |
| Biological assets | | - | - | - | - | - | - | - | - | - | |
| Intangibles | | - | - | - | - | - | - | - | - | - | |
| Total Repairs and Maintenance Expenditure | | 1 | 8,009 | - | - | - | - | - | 29,322 | 28,602 | 28,844 |
| | | | | | | | | | | | |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | |
| | | | | | | | | | | | |
| R&M as a % of PPE | | 3.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 6.6% | 7.9% | 10.8% | |
| R&M as % Operating Expenditure | | 4.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 11.3% | 10.5% | 9.9% | |

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 222.2 per cent in the 2013/14 financial year, from R9.1 million to R29.3 million. The total allocation for 2013/14 equates to R29.3 million an increase of 222.2 per cent in

relation to the Adjustment Budget and at R28.6 and R28.8 million over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 11.3, 10.5 and 9.9 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 11 Repairs and maintenance per asset class

| Description R thousand | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | |
| Infrastructure | 6,146 | - | - | - | - | 21,100 | 21,089 | 21,918 |
| Infrastructure - Road transport | 3,678 | - | - | - | - | 10,930 | 11,487 | 11,845 |
| <i>Roads, Pavements & Bridges</i> | 2,996 | | | | | 7,900 | 8,303 | 8,710 |
| <i>Storm water</i> | 682 | | | | | 3,030 | 3,185 | 3,136 |
| <i>Generation</i> | | | | | | | | |
| <i>Transmission & Reticulation</i> | 2,468 | | | | | 8,310 | 7,647 | 8,022 |
| Community | 1,720 | - | - | - | - | 8,222 | 7,513 | 6,926 |
| Parks & gardens | 1,023 | | | | | 800 | 841 | 882 |
| Community halls | 32 | | | | | 160 | 168 | 176 |
| Libraries | 213 | | | | | 116 | 122 | 128 |
| Security and policing | 267 | | | | | 231 | 243 | 255 |
| Buses | - | | | | | - | - | - |
| Clinics | 13 | | | | | - | - | - |
| Museums & Art Galleries | 10 | | | | | 574 | 603 | 633 |
| Cemeteries | 51 | | | | | 60 | 63 | 66 |
| Social rental housing | 111 | | | | | 60 | 63 | 66 |
| Other | | | | | | 6,055 | 5,236 | 4,538 |
| Heritage assets | - | - | - | - | - | - | - | - |
| Investment properties | - | - | - | - | - | - | - | - |
| Other assets | 144 | - | - | - | - | - | - | - |
| Civic Land and Buildings | 144 | | | | | | | |
| Other Buildings | | | | | | | | |
| Agricultural assets | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - |
| Intangibles | - | - | - | - | - | - | - | - |
| Total Repairs and Maintenance Expenditure | 8,009 | - | - | - | - | 29,322 | 28,602 | 28,844 |
| Specialised vehicles | - | - | - | - | - | - | - | - |
| <i>R&M as a % of PPE</i> | 3.8% | 0.0% | 0.0% | 0.0% | 0.0% | 6.6% | 7.9% | 10.8% |
| <i>R&M as % Operating Expenditure</i> | 4.5% | 0.0% | 0.0% | 0.0% | 0.0% | 11.3% | 10.5% | 9.9% |

For the 2013/14 financial year, 71.9 per cent or R21.1 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 39.3 per cent (R8.3 million), followed by road infrastructure at 51.8 per cent (R10.9 million). Community assets have been allocated R8.2 million of total repairs and maintenance equating to 28.0 per cent. This is to comply with the requirements of National Treasury Circulars 66 & 67 to budget for at least 8% of Property, Plant & Equipment for renewal and operational repairs and maintenance of existing asset infrastructure.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. There is currently plus minus 2603 debtors registered as indigent and the target is to register 500 or more indigent households during the 2013/14 financial year, a process reviewed every six months.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 12 2013/14 Medium-term capital budget per vote

| Description R thousand | 2013/14 Medium Term Revenue & Expenditure Framework | | | | | |
|-----------------------------|---|---------------|-------------------|---------------|-------------------|---------------|
| | 2013/14 | % | 2014/15 | % | 2015/16 | % |
| Roads & Stormwater | 20,312,000 | 62.96% | 23,010,000 | 66.10% | 22,868,000 | 59.43% |
| Electricity Services | 1,900,000 | 5.89% | 8,500,000 | 24.42% | 15,000,000 | 38.98% |
| Vehicles, Plant & Equipment | 4,890,000 | 15.16% | 2,500,000 | 7.18% | 110,000 | 0.29% |
| Museums | 400,000 | 1.24% | 400,000 | 1.15% | 500,000 | 1.30% |
| Traffic & Licensing | 700,000 | 2.17% | - | 0.00% | - | 0.00% |
| Sports & Recreation | 2,750,000 | 8.52% | - | 0.00% | - | 0.00% |
| Information Technology | 800,000 | 2.48% | 300,000 | 0.86% | - | 0.00% |
| Libraries | 10,000 | 0.03% | - | 0.00% | - | 0.00% |
| Executive & Council | 500,000 | 1.55% | 100,000 | 0.29% | - | 0.00% |
| Total Capital Budget | 32,262,000 | 100.0% | 34,810,000 | 100.0% | 38,478,000 | 100.0% |

For 2013/14 an amount of R25.56 million has been appropriated for the development of infrastructure which represents 79.2 per cent of the total capital budget. In the outer years this amount totals R31.91 million, 91.6 per cent and R38.36 million, 99.7 per cent respectively for each of the financial years. Roads & Stormwater receives the total allocation of R20.3 million in 2013/14 which equates to 62.96 per cent.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 33.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

| Description | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 67,807 | 80,128 | 93,444 | 101,795 | 103,424 | 103,424 | 103,424 | 121,263 | 128,254 | 135,391 |
| Service charges | 39,071 | 46,564 | 58,637 | 58,561 | 58,561 | 58,561 | 58,561 | 73,215 | 77,949 | 84,851 |
| Investment revenue | 257 | 481 | – | 300 | 300 | 300 | 300 | 352 | 370 | 389 |
| Transfers recognised - operational | 50,013 | 51,673 | 57,259 | 39,707 | 46,008 | 46,008 | 46,008 | 45,252 | 46,920 | 51,354 |
| Other own revenue | 35,197 | 37,078 | 30,645 | 23,274 | 22,287 | 22,287 | 22,287 | 31,176 | 33,531 | 35,514 |
| Total Revenue (excluding capital transfers and contributions) | 192,345 | 215,923 | 239,985 | 223,637 | 230,581 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |
| Employee costs | 65,109 | 67,930 | 73,267 | 73,389 | 73,389 | 73,389 | 73,389 | 78,811 | 83,854 | 89,221 |
| Remuneration of councillors | 4,067 | 4,198 | 5,168 | 5,426 | 5,426 | 5,426 | 5,426 | 5,836 | 6,186 | 6,557 |
| Depreciation & asset impairment | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 9,704 | 10,108 | 10,563 | 10,985 |
| Finance charges | 4,832 | 5,772 | 6,140 | 4,209 | 4,209 | 4,209 | 4,209 | 4,804 | 4,623 | 4,075 |
| Materials and bulk purchases | 29,225 | 38,383 | 51,625 | 58,865 | 64,523 | 64,523 | 64,523 | 69,955 | 75,551 | 81,595 |
| Transfers and grants | – | – | 2,379 | – | – | – | – | – | – | – |
| Other expenditure | 67,936 | 74,775 | 79,193 | 71,885 | 73,126 | 73,126 | 73,126 | 91,121 | 92,731 | 97,698 |
| Total Expenditure | 179,357 | 199,784 | 230,482 | 223,478 | 230,377 | 230,377 | 230,377 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) | 12,988 | 16,139 | 9,503 | 159 | 203 | 203 | 203 | 10,624 | 13,516 | 17,367 |
| Transfers recognised - capital | – | – | – | 16,190 | 21,605 | 21,605 | 21,605 | 21,912 | 22,429 | 23,868 |
| Contributions recognised - capital & contributed assets | – | – | – | – | – | – | – | (32,262) | (34,810) | (38,478) |
| Surplus/(Deficit) after capital transfers & contributions | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) for the year | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 8,354 | 9,302 | – | 16,190 | 21,605 | 21,605 | 21,605 | 32,262 | 34,810 | 38,478 |
| Transfers recognised - capital | 24,057 | 19,830 | – | 16,190 | 21,605 | 21,605 | 21,605 | 21,912 | 22,429 | 23,868 |
| Public contributions & donations | – | – | – | – | – | – | – | – | – | – |
| Borrowing | 3,125 | – | – | – | – | – | – | – | – | – |
| Internally generated funds | 4,048 | 1,358 | – | – | – | – | – | 10,350 | 13,381 | 15,610 |
| Total sources of capital funds | 31,230 | 21,188 | – | 16,190 | 21,605 | 21,605 | 21,605 | 32,262 | 35,810 | 39,478 |
| Financial position | | | | | | | | | | |
| Total current assets | 68,226 | 51,337 | 45,962 | 71,705 | 74,753 | 74,753 | 74,753 | 99,855 | 95,457 | 88,433 |
| Total non current assets | 213,642 | 369,400 | 613,432 | 385,772 | 385,772 | 385,772 | 385,772 | 441,994 | 360,472 | 268,314 |
| Total current liabilities | 65,929 | 80,983 | 72,698 | 65,707 | 37,856 | 37,856 | 37,856 | 43,814 | 40,250 | 37,953 |
| Total non current liabilities | 64,137 | 68,572 | 66,309 | 63,557 | 63,557 | 63,557 | 63,557 | 39,417 | 37,892 | 33,996 |
| Community wealth/Equity | 151,803 | 273,640 | 166,618 | 165,829 | 319,714 | 319,714 | 319,714 | 356,342 | 368,361 | 378,458 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 45,338 | 46,382 | 21,764 | 21,080 | 28,431 | 28,431 | 28,431 | 19,049 | 14,742 | 16,166 |
| Net cash from (used) investing | 999 | – | (19,299) | (16,190) | (16,190) | (16,190) | (16,190) | (32,262) | (34,810) | (38,478) |
| Net cash from (used) financing | 3,125 | (3,600) | 575 | (3,707) | (3,707) | (3,707) | (3,707) | 6,355 | 11,240 | 15,868 |
| Cash/cash equivalents at the year end | 79,110 | 121,892 | 124,932 | 1,484 | 8,835 | 8,835 | 8,835 | 1,977 | (6,851) | (13,295) |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 3,655 | 1,801 | (3,738) | (3,295) | 4,002 | 4,002 | 4,002 | 21,964 | 22,403 | 22,851 |
| Application of cash and investments | 57,227 | 71,944 | 52,895 | (4,597) | (17,268) | (29,217) | (29,217) | (28,856) | (27,165) | (22,136) |
| Balance - surplus (shortfall) | (53,572) | (70,144) | (56,633) | 1,302 | 21,270 | 33,219 | 33,219 | 50,819 | 49,568 | 44,987 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 1,551 | 1,010 | 41 | 385,590 | 385,590 | 385,590 | – | – | – | – |
| Depreciation & asset impairment | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 10,108 | 10,108 | 10,563 | 10,985 |
| Renewal of Existing Assets | 31,230 | 21,558 | – | – | – | – | – | – | – | – |
| Repairs and Maintenance | 8,010 | – | – | – | – | – | 29,322 | 29,322 | 28,602 | 28,844 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | – | – | – | – | 9,752 | 9,752 | 9,752 | 9,752 | 9,752 | 9,752 |
| Revenue cost of free services provided | 55,337 | 55,596 | – | – | 55,486 | 55,486 | 55,486 | 55,486 | 55,486 | 55,486 |
| Households below minimum service level | | | | | | | | | | |
| Water: | – | – | – | – | – | – | – | – | – | – |
| Sanitation/sewerage: | – | – | – | – | – | – | – | – | – | – |
| Energy: | – | – | – | – | – | – | – | – | – | – |
| Refuse: | 20 | 18 | – | – | 26 | 26 | 26 | 26 | 26 | 26 |

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 30 June 2013, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | 1 | | | | | | | | | |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 120,682 | 120,268 | 153,369 | 135,021 | 137,890 | 137,890 | 155,196 | 164,993 | 175,461 |
| Executive and council | | 87,260 | 91,721 | 122,889 | 130,259 | 129,480 | 129,480 | 150,982 | 160,593 | 170,873 |
| Budget and treasury office | | 30,340 | 25,230 | 27,506 | 2,572 | 6,525 | 6,525 | 3,029 | 3,155 | 3,281 |
| Corporate services | | 3,081 | 3,317 | 2,974 | 2,189 | 1,884 | 1,884 | 1,185 | 1,245 | 1,306 |
| <i>Community and public safety</i> | | 7,801 | 7,489 | 7,808 | 10,060 | 9,322 | 9,322 | 17,550 | 18,443 | 19,347 |
| Community and social services | | 555 | 628 | 3,450 | 1,903 | 1,402 | 1,402 | 2,992 | 3,143 | 3,298 |
| Sport and recreation | | 95 | 365 | 147 | 4 | 4 | 4 | 5 | 5 | 5 |
| Public safety | | 3,394 | 3,570 | 2,543 | 8,153 | 7,915 | 7,915 | 14,553 | 15,295 | 16,044 |
| Housing | | 1,089 | 1,106 | - | - | - | - | - | - | - |
| Health | | 2,668 | 1,819 | 1,667 | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 4,003 | 4,478 | 4,192 | 2,981 | 7,134 | 7,134 | 7,176 | 5,389 | 5,604 |
| Planning and development | | 1,541 | 1,852 | 1,424 | 995 | 687 | 687 | 2,084 | 2,190 | 2,298 |
| Road transport | | 2,462 | 2,626 | 2,768 | 1,986 | 6,446 | 6,446 | 5,092 | 3,198 | 3,306 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 59,836 | 83,689 | 74,616 | 75,575 | 76,236 | 76,236 | 91,337 | 98,200 | 107,087 |
| Electricity | | 44,746 | 64,147 | 59,518 | 61,829 | 61,829 | 61,829 | 73,799 | 79,610 | 87,172 |
| Water | | - | - | - | - | - | - | - | - | - |
| Waste water management | | 183 | 194 | 205 | - | - | - | - | - | - |
| Waste management | | 14,906 | 19,348 | 14,894 | 13,747 | 14,408 | 14,408 | 17,537 | 18,590 | 19,915 |
| <i>Other</i> | 4 | 23 | - | - | - | - | - | - | - | - |
| Total Revenue - Standard | 2 | 192,345 | 215,924 | 239,985 | 223,637 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 53,669 | 51,552 | 66,486 | 54,553 | 57,121 | 57,121 | 58,872 | 61,310 | 64,703 |
| Executive and council | | 28,900 | 22,557 | 40,212 | 28,335 | 27,458 | 27,458 | 31,900 | 33,695 | 35,513 |
| Budget and treasury office | | 15,088 | 18,047 | 16,381 | 16,435 | 20,827 | 20,827 | 17,322 | 18,319 | 19,361 |
| Corporate services | | 9,681 | 10,948 | 9,893 | 9,783 | 8,836 | 8,836 | 9,649 | 9,297 | 9,829 |
| <i>Community and public safety</i> | | 33,246 | 36,014 | 36,052 | 34,223 | 36,795 | 36,795 | 46,723 | 48,735 | 51,639 |
| Community and social services | | 13,153 | 14,930 | 19,456 | 14,618 | 14,780 | 14,780 | 20,543 | 21,272 | 22,689 |
| Sport and recreation | | 9,360 | 9,371 | 9,957 | 9,534 | 10,093 | 10,093 | 12,090 | 12,757 | 13,428 |
| Public safety | | 6,773 | 7,398 | 4,971 | 8,735 | 10,474 | 10,474 | 12,842 | 13,436 | 14,196 |
| Housing | | 1,089 | 1,106 | - | 1,336 | 1,447 | 1,447 | 1,248 | 1,270 | 1,326 |
| Health | | 2,871 | 3,210 | 1,667 | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 25,678 | 24,817 | 27,127 | 30,622 | 34,642 | 34,642 | 36,992 | 37,292 | 38,990 |
| Planning and development | | 8,334 | 9,302 | 9,196 | 7,391 | 7,761 | 7,761 | 9,221 | 9,406 | 9,995 |
| Road transport | | 17,344 | 15,514 | 17,931 | 23,232 | 26,881 | 26,881 | 27,771 | 27,886 | 28,994 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 66,360 | 87,244 | 100,682 | 103,949 | 101,688 | 101,688 | 117,899 | 126,021 | 134,651 |
| Electricity | | 44,746 | 64,147 | 81,814 | 79,643 | 79,146 | 79,146 | 91,173 | 97,140 | 104,138 |
| Water | | - | - | - | - | - | - | - | - | - |
| Waste water management | | 4,401 | 4,161 | 4,606 | 8,184 | 5,805 | 5,805 | 9,083 | 9,424 | 9,628 |
| Waste management | | 17,213 | 18,936 | 14,262 | 16,122 | 16,737 | 16,737 | 17,643 | 19,457 | 20,884 |
| <i>Other</i> | 4 | 405 | 157 | 135 | 132 | 134 | 134 | 148 | 150 | 149 |
| Total Expenditure - Standard | 3 | 179,357 | 199,784 | 230,482 | 223,480 | 230,380 | 230,380 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) for the year | | 12,988 | 16,139 | 9,503 | 158 | 201 | 201 | 10,624 | 13,516 | 17,367 |

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for the Electricity function, but not the Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive and Council | | 87,496 | 92,066 | 125,413 | 130,259 | 129,480 | 129,480 | 150,982 | 160,593 | 170,873 |
| Vote 2 - Budget and Treasury Office | | 30,340 | 25,230 | 27,506 | 2,572 | 6,525 | 6,525 | 3,029 | 3,155 | 3,281 |
| Vote 3 - Corporate Services | | 1,902 | 2,416 | 1,907 | 1,470 | 1,165 | 1,165 | 1,218 | 1,280 | 1,343 |
| Vote 4 - Planning and Development | | 1,179 | 1,085 | 1,034 | 995 | 687 | 687 | 2,084 | 2,190 | 2,298 |
| Vote 5 - Community Services | | 7,586 | 7,291 | 5,440 | 9,976 | 10,238 | 10,238 | 17,461 | 18,349 | 19,249 |
| Vote 6 - Technical Services | | 17,564 | 22,155 | 17,828 | 15,786 | 19,554 | 19,554 | 22,685 | 21,847 | 23,283 |
| Vote 7 - Economic Development and Growth | | 385 | 767 | 389 | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | 1,145 | 767 | 950 | 750 | 750 | 750 | - | - | - |
| Vote 9 - Electricity | | 44,746 | 64,147 | 59,518 | 61,829 | 62,182 | 62,182 | 73,799 | 79,610 | 87,172 |
| Total Revenue by Vote | 2 | 192,345 | 215,924 | 239,985 | 223,637 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - Executive and Council | | 29,773 | 23,509 | 59,194 | 29,254 | 28,376 | 28,376 | 34,050 | 35,056 | 36,949 |
| Vote 2 - Budget and Treasury Office | | 15,088 | 18,047 | 6,376 | 16,435 | 20,827 | 20,827 | 17,322 | 18,319 | 19,361 |
| Vote 3 - Corporate Services | | 11,510 | 13,393 | 6,797 | 12,337 | 13,578 | 13,578 | 18,284 | 19,205 | 20,488 |
| Vote 4 - Planning and Development | | 5,471 | 5,588 | 6,376 | 5,495 | 5,675 | 5,675 | 2,247 | 2,176 | 2,313 |
| Vote 5 - Community Services | | 27,488 | 29,270 | 26,807 | 27,682 | 31,185 | 31,185 | 35,748 | 37,259 | 39,319 |
| Vote 6 - Technical Services | | 39,250 | 38,988 | 37,091 | 48,101 | 47,487 | 47,487 | 54,688 | 56,973 | 59,731 |
| Vote 7 - Economic Development and Growth | | 3,268 | 3,871 | 2,955 | 2,028 | 2,216 | 2,216 | 7,123 | 7,381 | 7,831 |
| Vote 8 - Internal Audit | | 2,764 | 2,971 | 3,072 | 2,505 | 1,890 | 1,890 | - | - | - |
| Vote 9 - Electricity | | 44,746 | 64,147 | 81,814 | 79,643 | 79,146 | 79,146 | 91,173 | 97,140 | 104,138 |
| Total Expenditure by Vote | 2 | 179,357 | 199,784 | 230,482 | 223,480 | 230,379 | 230,379 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) for the year | 2 | 12,987 | 16,140 | 9,503 | 158 | 202 | 202 | 10,624 | 13,516 | 17,367 |

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 16 Surplus/(Deficit) calculations for the trading services

| Description R thousand | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Electricity | | | | | | | | | | |
| Total Revenue (Incl capital grants & transfers) | 44,746 | 64,147 | 59,518 | 61,829 | 61,829 | 61,829 | 61,829 | 73,799 | 79,610 | 87,172 |
| Operating Expenditure | 44,746 | 64,147 | 81,814 | 79,643 | 79,146 | 79,146 | 79,146 | 91,173 | 97,140 | 104,138 |
| Surplus/(Deficit) for the year | - | - | 22,296 | 17,814 | 17,317 | 17,317 | 17,317 | 17,374 | 17,530 | 16,966 |
| Percentage Surplus | - | - | 37 | 29 | 28 | 28 | 28 | 24 | 22 | 19 |

2. The electricity trading deficit is a major concern over the 2013/14 MTREF averaging 22 percent over the MTREF. This is primarily as a result of the high increases in Eskom bulk purchases, distribution losses through tampering, theft, illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. Note that the deficit on the electricity account is *cross-subsidise by rates and other municipal services*.

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | 1 | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 65,228 | 76,748 | 91,124 | 98,376 | 100,005 | 100,005 | 100,005 | 117,655 | 124,463 | 131,414 |
| Property rates - penalties & collection charges | | 2,580 | 3,380 | 2,319 | 3,419 | 3,419 | 3,419 | 3,419 | 3,607 | 3,791 | 3,977 |
| Service charges - electricity revenue | 2 | 30,907 | 36,332 | 50,448 | 54,858 | 54,858 | 54,858 | 54,858 | 65,275 | 70,570 | 77,395 |
| Service charges - water revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 2 | 8,164 | 10,232 | 8,190 | 3,703 | 3,703 | 3,703 | 3,703 | 7,940 | 7,379 | 7,456 |
| Service charges - other | | | | | | | | | - | - | - |
| Rental of facilities and equipment | | 414 | 789 | 951 | 1,002 | 1,002 | 1,002 | 1,002 | 1,052 | 1,106 | 1,160 |
| Interest earned - external investments | | 257 | 481 | | 300 | 300 | 300 | 300 | 352 | 370 | 389 |
| Interest earned - outstanding debtors | | 1,562 | 1,155 | 1,285 | 1,009 | 1,009 | 1,009 | 1,009 | 1,065 | 1,119 | 1,174 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - |
| Fines | | 376 | 16 | 3,823 | 6,263 | 6,263 | 6,263 | 6,263 | 12,242 | 12,867 | 13,497 |
| Licences and permits | | 2,697 | 2,940 | 1,930 | 1,879 | 1,879 | 1,879 | 1,879 | 2,310 | 2,428 | 2,547 |
| Agency services | | - | - | | - | - | - | - | - | - | - |
| Transfers recognised - operational | | 50,013 | 51,673 | 57,259 | 39,707 | 46,008 | 46,008 | 46,008 | 45,252 | 46,920 | 51,354 |
| Other revenue | 2 | 29,785 | 32,177 | 22,657 | 13,121 | 12,135 | 12,135 | 12,135 | 14,507 | 16,011 | 17,135 |
| Gains on disposal of PPE | | 364 | - | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 192,345 | 215,923 | 239,985 | 223,637 | 230,581 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 65,109 | 67,930 | 73,267 | 73,389 | 73,389 | 73,389 | 73,389 | 78,811 | 83,854 | 89,221 |
| Debt impairment | 3 | 2,736 | 4,912 | 18,585 | 3,000 | 3,000 | 3,000 | 3,000 | 528 | 554 | 582 |
| Depreciation & asset impairment | 2 | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 9,704 | 10,108 | 10,563 | 10,985 |
| Finance charges | | 4,832 | 5,772 | 6,140 | 4,209 | 4,209 | 4,209 | 4,209 | 4,804 | 4,623 | 4,075 |
| Bulk purchases | 2 | 29,225 | 38,383 | 51,625 | 58,865 | 64,523 | 64,523 | 64,523 | 69,955 | 75,551 | 81,595 |
| Other materials | 8 | | | | | | | | - | - | - |
| Contracted services | | 2,389 | 2,019 | 1,063 | 4,500 | 2,000 | 2,000 | 2,000 | 4,000 | 4,668 | 4,897 |
| Transfers and grants | | - | - | 2,379 | - | - | - | - | - | - | - |
| Other expenditure | 4, 5 | 62,811 | 67,844 | 59,479 | 64,385 | 68,126 | 68,126 | 68,126 | 86,593 | 87,509 | 92,219 |
| Loss on disposal of PPE | | | | 65 | | | | | | | |
| Total Expenditure | | 179,357 | 199,784 | 230,482 | 223,478 | 230,377 | 230,377 | 230,377 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) | | 12,988 | 16,139 | 9,503 | 159 | 203 | 203 | 203 | 10,624 | 13,516 | 17,367 |
| Transfers recognised - capital | | | | | 16,190 | 21,605 | 21,605 | 21,605 | 21,912 | 22,429 | 23,868 |
| Contributions recognised - capital | | - | - | - | - | - | - | - | (32,262) | (34,810) | (38,478) |
| Contributed assets | | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Taxation | | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Attributable to minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Share of surplus/ (deficit) of associate | 7 | | | | | | | | | | |
| Surplus/(Deficit) for the year | | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R71.2 million in 2013/14 and escalates to R307.4 million by 2015/16. This represents a year-on-year increase of 5.8 per cent for the 2014/15 financial year and 7.1 per cent for the 2015/16 financial year.
2. Revenue to be generated from property rates is R121.2 million in the 2013/14 financial year and increases to R135.3 million by 2015/16 which represents 44.7 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent, 6 per cent and 6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal contributes to the revenue basket of the Municipality totalling R73.2 million for the 2013/14 financial year and increasing to R84.8 million by 2015/16. For the 2014/15 financial year services charges amount to 27.2 per cent of the total revenue base and increase to 27.6 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are remaining constant over the MTREF by 16.3 per cent and 16.7 per cent for the two outer years.
5. Bulk purchases have significantly increased over the 2013/14 to 2015/16 period escalating from R69.9 million to R81.5 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

| Vote Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure - to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | 1,156 | 30 | - | - | - | - | - | 1,300 | 400 | - |
| Vote 2 - Budget and Treasury Office | | 58 | 110 | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | 20 | 158 | - | - | - | - | - | - | - | - |
| Vote 4 - Planning and Development | | 246 | 50 | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | 1,336 | 129 | - | - | - | - | - | 3,860 | 400 | 500 |
| Vote 6 - Technical Services | | 22,083 | 14,435 | - | 16,190 | 21,605 | 21,605 | 21,605 | 25,202 | 25,510 | 22,978 |
| Vote 7 - Economic Development and Growth | | 1,442 | 3,780 | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | 4,889 | 2,867 | - | - | - | - | - | 1,900 | 8,500 | 15,000 |
| Capital multi-year expenditure sub-total | 7 | 31,230 | 21,558 | - | 16,190 | 21,605 | 21,605 | 21,605 | 32,262 | 34,810 | 38,478 |
| Single-year expenditure - to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Budget and Treasury Office | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Planning and Development | | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Technical Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Vote | | 31,230 | 21,558 | - | 16,190 | 21,605 | 21,605 | 21,605 | 32,262 | 34,810 | 38,478 |
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | 1,234 | 297 | - | - | - | - | - | 1,300 | 400 | - |
| Executive and council | | 1,156 | 30 | - | - | - | - | - | 1,300 | 400 | - |
| Budget and treasury office | | 58 | 110 | - | - | - | - | - | - | - | - |
| Corporate services | | 20 | 158 | - | - | - | - | - | - | - | - |
| Community and public safety | | 1,336 | 129 | - | - | - | - | - | 3,860 | 400 | 500 |
| Community and social services | | 35 | - | - | - | - | - | - | 410 | 400 | 500 |
| Sport and recreation | | 531 | 27 | - | - | - | - | - | 2,750 | - | - |
| Public safety | | 761 | 92 | - | - | - | - | - | 700 | - | - |
| Housing | | 5 | - | - | - | - | - | - | - | - | - |
| Health | | 3 | 9 | - | - | - | - | - | - | - | - |
| Economic and environmental services | | - | - | - | 16,190 | 21,605 | 21,605 | 21,605 | 20,312 | 23,010 | 22,868 |
| Planning and development | | - | - | - | - | - | - | - | - | - | - |
| Road transport | | - | - | - | 16,190 | 21,605 | 21,605 | 21,605 | 20,312 | 23,010 | 22,868 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 4,291 | 5,091 | - | - | - | - | - | 1,900 | 8,500 | 15,000 |
| Electricity | | 4,172 | 4,889 | - | - | - | - | - | 1,900 | 8,500 | 15,000 |
| Water | | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 119 | 202 | - | - | - | - | - | - | - | - |
| Other | | 1,493 | 3,785 | - | - | - | - | - | 4,890 | 2,500 | 110 |
| Total Capital Expenditure - Standard | 3 | 8,354 | 9,302 | - | 16,190 | 21,605 | 21,605 | 21,605 | 32,262 | 34,810 | 38,478 |
| Funded by: | | | | | | | | | | | |
| National Government | | 21,774 | 15,447 | - | 16,190 | 21,605 | 21,605 | 21,605 | 21,912 | 22,429 | 23,868 |
| Provincial Government | | 2,283 | 4,383 | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 24,057 | 19,830 | - | 16,190 | 21,605 | 21,605 | 21,605 | 21,912 | 22,429 | 23,868 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | 3,125 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 4,048 | 1,358 | - | - | - | - | - | 10,350 | 13,381 | 15,610 |
| Total Capital Funding | 7 | 31,230 | 21,188 | - | 16,190 | 21,605 | 21,605 | 21,605 | 32,262 | 35,810 | 39,478 |

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R32.2 million for the 2013/14 financial year and increases over the MTREF at levels of R34.8 million and R38.4 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and contributions from the capital replacement reserve. For 2013/14, capital transfers totals R21.9 million (68 per cent) and escalates to R22.8 million by 2015/16 (59.3 per cent). Internally generated funding totaling R10.3 million in 2013/14 and escalates to R15.6 million in 2015/16. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 19 MBRR Table A6 - Budgeted Financial Position

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 5 | 5 | 51 | 5 | 5 | 5 | 5 | | | |
| Call investment deposits | 1 | 4,590 | 3,208 | 2,415 | 1,700 | 8,998 | 8,998 | 8,998 | 21,964 | 22,403 | 22,851 |
| Consumer debtors | 1 | 63,631 | 48,124 | 40,771 | 70,000 | 65,751 | 65,751 | 65,751 | 77,892 | 73,054 | 65,582 |
| Other debtors | | 0 | - | 2,725 | | | | | | | |
| Current portion of long-term receivables | | | | | | | | | | | |
| Inventory | 2 | | | | | | | | | | |
| Total current assets | | 68,226 | 51,337 | 45,962 | 71,705 | 74,753 | 74,753 | 74,753 | 99,855 | 95,457 | 88,433 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | | | | | | | | | | |
| Investments | | | | | | | | | | | |
| Investment property | | 1,551 | 1,010 | | 952 | 952 | 952 | 952 | | | |
| Investment in Associate | | | | | | | | | | | |
| Property, plant and equipment | 3 | 212,091 | 368,390 | 613,391 | 384,820 | 384,820 | 384,820 | 384,820 | 441,994 | 360,472 | 268,314 |
| Agricultural | | | | | | | | | | | |
| Biological | | | | | | | | | | | |
| Intangible | | | | 41 | | | | | | | |
| Other non-current assets | | | | | | | | | | | |
| Total non current assets | | 213,642 | 369,400 | 613,432 | 385,772 | 385,772 | 385,772 | 385,772 | 441,994 | 360,472 | 268,314 |
| TOTAL ASSETS | | 281,868 | 420,737 | 659,394 | 457,477 | 460,526 | 460,526 | 460,526 | 541,849 | 455,930 | 356,747 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | 939 | 1,412 | 6,204 | 5,000 | 5,000 | 5,000 | 5,000 | | | |
| Borrowing | 4 | 2,635 | 2,912 | 7,223 | 3,707 | 3,707 | 3,707 | 3,707 | 950 | 969 | 993 |
| Consumer deposits | | 1,551 | 2,050 | 2,161 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Trade and other payables | 4 | 60,088 | 74,303 | 55,453 | 55,000 | 27,149 | 27,149 | 27,149 | 40,864 | 37,282 | 34,960 |
| Provisions | | 715 | 306 | 1,657 | | | | | | | |
| Total current liabilities | | 65,929 | 80,983 | 72,698 | 65,707 | 37,856 | 37,856 | 37,856 | 43,814 | 40,250 | 37,953 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | 44,461 | 43,496 | 35,286 | 37,557 | 37,557 | 37,557 | 37,557 | 34,816 | 33,057 | 28,924 |
| Provisions | | 19,676 | 25,076 | 31,024 | 26,000 | 26,000 | 26,000 | 26,000 | 4,601 | 4,835 | 5,072 |
| Total non current liabilities | | 64,137 | 68,572 | 66,309 | 63,557 | 63,557 | 63,557 | 63,557 | 39,417 | 37,892 | 33,996 |
| TOTAL LIABILITIES | | 130,066 | 149,555 | 139,007 | 129,264 | 101,413 | 101,413 | 101,413 | 83,231 | 78,143 | 71,949 |
| NET ASSETS | 5 | 151,803 | 271,182 | 520,387 | 328,213 | 359,112 | 359,112 | 359,112 | 458,618 | 377,787 | 284,798 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 129,166 | 104,519 | | | 153,885 | 153,885 | 153,885 | 124,414 | 130,634 | 137,166 |
| Reserves | 4 | 22,637 | 169,121 | 166,618 | 165,829 | 165,829 | 165,829 | 165,829 | 231,928 | 237,726 | 241,292 |
| Minorities' interests | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 151,803 | 273,640 | 166,618 | 165,829 | 319,714 | 319,714 | 319,714 | 356,342 | 368,361 | 378,458 |

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 61 is supported by an extensive table of notes (SA3 which can be found on page 125 providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20 MBRR Table A7 - Budgeted Cash Flow Statement

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Ratepayers and other | | | | | 156,341 | 157,970 | 157,970 | 157,970 | 201,981 | 211,489 | 222,662 |
| Government - operating | 1 | 50,013 | 38,895 | 26,461 | 39,707 | 45,429 | 45,429 | 45,429 | 45,252 | 47,515 | 49,843 |
| Government - capital | 1 | - | 12,778 | | 16,190 | 16,190 | 16,190 | 16,190 | 21,912 | 21,429 | 22,868 |
| Interest | | 257 | 481 | 1,285 | 300 | 300 | 300 | 300 | 991 | 1,041 | 1,092 |
| Dividends | | | | | | - | - | - | | | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | | | | (187,249) | (187,249) | (187,249) | (187,249) | (246,282) | (262,109) | (276,224) |
| Finance charges | | (4,932) | (5,772) | (5,982) | (4,209) | (4,209) | (4,209) | (4,209) | (4,804) | (4,623) | (4,075) |
| Transfers and Grants | 1 | | | | | | | | | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 45,338 | 46,382 | 21,764 | 21,080 | 28,431 | 28,431 | 28,431 | 19,049 | 14,742 | 16,166 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 999 | | 479 | | | | | | | |
| Decrease (Increase) in non-current debtors | | | | | | | | | | | |
| Decrease (Increase) other non-current receivables | | | | 32 | | | | | | | |
| Decrease (Increase) in non-current investments | | | | 1,718 | | | | | | | |
| Payments | | | | | | | | | | | |
| Capital assets | | | | (21,528) | (16,190) | (16,190) | (16,190) | (16,190) | (32,262) | (34,810) | (38,478) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | 999 | - | (19,299) | (16,190) | (16,190) | (16,190) | (16,190) | (32,262) | (34,810) | (38,478) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | - | | | | | | |
| Borrowing long term/refinancing | | 3,125 | | | - | | | | 10,000 | 15,000 | 20,000 |
| Increase (decrease) in consumer deposits | | | | | - | | | | | | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | (3,600) | 575 | (3,707) | (3,707) | (3,707) | (3,707) | (3,645) | (3,760) | (4,132) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 3,125 | (3,600) | 575 | (3,707) | (3,707) | (3,707) | (3,707) | 6,355 | 11,240 | 15,868 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 49,462 | 42,782 | 3,040 | 1,183 | 8,534 | 8,534 | 8,534 | (6,858) | (8,827) | (6,444) |
| Cash/cash equivalents at the year begin: | 2 | 29,649 | 79,110 | 121,892 | 301 | 301 | 301 | 301 | 8,835 | 1,977 | (6,851) |
| Cash/cash equivalents at the year end: | 2 | 79,110 | 121,892 | 124,932 | 1,484 | 8,835 | 8,835 | 8,835 | 1,977 | (6,851) | (13,295) |

Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 79,110 | 121,892 | 124,932 | 1,484 | 8,835 | 8,835 | 8,835 | 1,977 | (6,851) | (13,295) |
| Other current investments > 90 days | | (75,455) | (120,092) | (128,670) | (4,780) | (4,833) | (4,833) | (4,833) | 19,987 | 29,253 | 36,146 |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 3,655 | 1,801 | (3,738) | (3,295) | 4,002 | 4,002 | 4,002 | 21,964 | 22,403 | 22,851 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 28,329 | 21,750 | 13,662 | 10,000 | 6,499 | 6,499 | 6,499 | 1,631 | 1,782 | 1,960 |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | - | - | - | - | - | - | - | - | - | - |
| Other working capital requirements | 3 | - | - | - | - | - | - | - | - | - | - |
| Other provisions | | - | - | - | - | - | - | - | - | - | - |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/invest | 5 | | | | | 11,949 | | | | | |
| Total Application of cash and investments: | | 28,329 | 21,750 | 13,662 | 10,000 | 18,448 | 6,499 | 6,499 | 1,631 | 1,782 | 1,960 |
| Surplus(shortfall) | | (24,673) | (19,949) | (17,400) | (13,295) | (14,445) | (2,496) | (2,496) | 20,333 | 20,621 | 20,891 |

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality increased significantly over the 2009/10 to 2011/12 period owing directly to a net increase in cash for the 2010/11 financial year of R42.7 million.
4. The approved 2012/13 MTREF provide for a further net increase in cash of R1.1 million for the 2012/13 financial year resulting in an overall projected negative cash position of R1.4 million at year end.
5. As part of the 2012/13 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
6. The 2013/14 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals R1.9 million positive as at the end of the 2013/14 financial year and decreases to R13.2 million overdraft by 2015/16.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2009/10 to 2012/13 the deficit improved from R53.5 million not cash-backed to R1.3 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2012/13 MTREF was not funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively move from a surplus of R50.8 million in 2013/14 to a surplus of R44.9 million by 2015/16.

Table 22 MBRR Table A9 - Asset Management

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| <u>Total New Assets</u> | 1 | 31,230 | – | – | – | 9,704 | 9,704 | 32,262 | 34,810 | 38,478 |
| Infrastructure - Road transport | | 13,564 | – | – | – | 3,766 | 3,766 | 20,312 | 23,010 | 22,868 |
| Infrastructure - Electricity | | 4,889 | – | – | – | 1,566 | 1,566 | 1,900 | 8,500 | 15,000 |
| Infrastructure - Other | | – | – | – | – | 1,305 | 1,305 | 4,890 | 2,500 | 110 |
| Infrastructure | | 18,453 | – | – | – | 6,638 | 6,638 | 27,102 | 34,010 | 37,978 |
| Community | | 1,333 | – | – | – | – | – | 5,160 | 800 | 500 |
| Heritage assets | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | 40 | 40 | – | – | – |
| Other assets | 6 | 11,444 | – | – | – | 3,021 | 3,021 | – | – | – |
| <u>Total Renewal of Existing Assets</u> | 2 | 31,230 | 21,558 | – | – | – | – | – | – | – |
| Infrastructure - Road transport | | 13,564 | 13,346 | – | – | – | – | – | – | – |
| Infrastructure - Electricity | | 4,889 | 2,867 | – | – | – | – | – | – | – |
| Infrastructure - Other | | – | 1,084 | – | – | – | – | – | – | – |
| Infrastructure | | 18,453 | 17,297 | – | – | – | – | – | – | – |
| Community | | 1,332 | 481 | – | – | – | – | – | – | – |
| Heritage assets | | – | 3,780 | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Other assets | 6 | 11,445 | – | – | – | – | – | – | – | – |
| <u>Total Capital Expenditure</u> | 4 | | | | | | | | | |
| Infrastructure - Road transport | | 27,128 | 13,346 | – | – | 3,766 | 3,766 | 20,312 | 23,010 | 22,868 |
| Infrastructure - Electricity | | 9,778 | 2,867 | – | – | 1,566 | 1,566 | 1,900 | 8,500 | 15,000 |
| Infrastructure - Other | | – | 1,084 | – | – | 1,305 | 1,305 | 4,890 | 2,500 | 110 |
| Infrastructure | | 36,906 | 17,297 | – | – | 6,638 | 6,638 | 27,102 | 34,010 | 37,978 |
| Community | | 2,665 | 481 | – | – | – | – | 5,160 | 800 | 500 |
| Heritage assets | | – | 3,780 | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | 40 | 40 | – | – | – |
| Other assets | | 22,889 | – | – | – | 3,021 | 3,021 | – | – | – |
| TOTAL CAPITAL EXPENDITURE - Asset class | 2 | 62,460 | 21,558 | – | – | 9,704 | 9,704 | 32,262 | 34,810 | 38,478 |
| ASSET REGISTER SUMMARY - PPE (WDV) | | | | | | | | | | |
| Infrastructure - Road transport | 5 | | | | 223,532 | 223,532 | 223,532 | | | |
| Infrastructure - Electricity | | | | | 81,564 | 81,564 | 81,564 | | | |
| Infrastructure - Other | | | | | 30,870 | 30,870 | 30,870 | | | |
| Infrastructure | | – | – | – | 335,966 | 335,966 | 335,966 | – | – | – |
| Community | | | | | | | | | | |
| Heritage assets | | | | | | | | | | |
| Investment properties | | 1,551 | 1,010 | – | 952 | 952 | 952 | – | – | – |
| Other assets | | | | | 48,672 | 48,672 | 48,672 | | | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 1,551 | 1,010 | 41 | 385,590 | 385,590 | 385,590 | – | – | – |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | |
| <u>Depreciation & asset impairment</u> | 3 | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 10,108 | 10,563 | 10,985 |
| <u>Repairs and Maintenance by Asset Class</u> | | 8,010 | – | – | – | – | – | 29,322 | 28,602 | 28,844 |
| Infrastructure - Road transport | | 3,678 | – | – | – | – | – | 10,930 | 11,487 | 11,845 |
| Infrastructure - Electricity | | 2,468 | – | – | – | – | – | 8,310 | 7,647 | 8,022 |
| Infrastructure - Other | | – | – | – | – | – | – | 1,860 | 1,955 | 2,051 |
| Infrastructure | | 6,146 | – | – | – | – | – | 21,100 | 21,089 | 21,918 |
| Community | | 1,720 | – | – | – | – | – | 8,222 | 7,513 | 6,926 |
| Heritage assets | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Other assets | 6, 7 | 144 | – | – | – | – | – | – | – | – |
| TOTAL EXPENDITURE OTHER ITEMS | | 16,197 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 39,430 | 39,165 | 39,829 |
| Renewal of Existing Assets as % of total capex | | | | | | | | | | |
| | | 50.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Renewal of Existing Assets as % of deprecn" | | | | | | | | | | |
| | | 381.4% | 247.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M as a % of PPE | | | | | | | | | | |
| | | 3.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 6.6% | 7.9% | 10.8% |
| Renewal and R&M as a % of PPE | | | | | | | | | | |
| | | 2530.0% | 2134.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Household service targets | 1 | | | | | | | | | |
| <u>Energy:</u> | | | | | | | | | | |
| Electricity (at least min.service level) | | 5,000 | 5,000 | | | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 |
| Electricity - prepaid (min.service level) | | 7,000 | 7,000 | | | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| <i>Minimum Service Level and Above sub-total</i> | | 12,000 | 12,000 | - | - | 13,800 | 13,800 | 13,800 | 13,800 | 13,800 |
| Electricity (< min.service level) | | | | | | | | | | |
| Electricity - prepaid (< min. service level) | | | | | | | | | | |
| Other energy sources | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 12,000 | 12,000 | - | - | 13,800 | 13,800 | 13,800 | 13,800 | 13,800 |
| <u>Refuse:</u> | | | | | | | | | | |
| Removed at least once a week | | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Removed less frequently than once a week | | 18,000 | 18,000 | | | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 |
| Using communal refuse dump | | | | | | - | - | - | - | - |
| Using own refuse dump | | | | | | - | - | - | - | - |
| Other rubbish disposal | | | | | | - | - | - | - | - |
| No rubbish disposal | | 2,000 | - | | | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| <i>Below Minimum Service Level sub-total</i> | | 20,000 | 18,000 | - | - | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Total number of households | 5 | 20,000 | 18,000 | - | - | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| <u>Households receiving Free Basic Service</u> | 7 | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | 7,000 | 7,000 | | | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Refuse (removed at least once a week) | | 13,000 | 13,000 | | | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| <u>Cost of Free Basic Services provided (R'000)</u> | 8 | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | | 4,452 | 4,452 | 4,452 | 4,452 | 4,452 |
| Refuse (removed once a week) | | | | | | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 |
| Total cost of FBS provided (minimum social package) | | - | - | - | - | 9,752 | 9,752 | 9,752 | 9,752 | 9,752 |
| <u>Highest level of free service provided</u> | | | | | | | | | | |
| Property rates (R value threshold) | | 65,000 | 100,000 | | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Electricity (kwh per household per month) | | 100 | 100 | | | 100 | 100 | 100 | 100 | 100 |
| Refuse (average litres per week) | | | | | | - | - | - | - | - |
| <u>Revenue cost of free services provided (R'000)</u> | 9 | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | | 47,935 | 55,596 | | | 45,734 | 45,734 | 45,734 | 45,734 | 45,734 |
| Property rates (other exemptions, reductions and rebates) | | - | - | | | - | - | - | - | - |
| Electricity/other energy | | 1,285 | - | | | 4,452 | 4,452 | 4,452 | 4,452 | 4,452 |
| Refuse | | 6,118 | - | | | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 |
| Municipal Housing - rental rebates | | | | | | - | - | - | - | - |
| Housing - top structure subsidies | | | | | | - | - | - | - | - |
| Other | | | | | | - | - | - | - | - |
| Total revenue cost of free services provided (total social package) | 6 | 55,337 | 55,596 | - | - | 55,486 | 55,486 | 55,486 | 55,486 | 55,486 |

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Electricity services – backlog has been reduced. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised, with all households in rural areas budgeted to be electrified in 2015/16.
 - b. Refuse services – It should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 3103 households to be registered as indigent in 2013/14, and therefore entitled to receiving Free Basic Services. The number is set to increase to 3500 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R9.7 million in 2013/14, remaining at R9.7 million in 2015/16 at current tariffs. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' households R55.4 million in free services in 2013/14, and remains at R55.4 million in 2015/16 at current tariffs. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 8 per cent of total operating revenue.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2012. Key dates applicable to the process were:

- **10 August 2012** – Joint strategic planning session of the Budget Steering Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2013/14 MTREF;
- **15 November 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **13 January 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **20 January 2013** – Multi-year budget proposals are submitted to the Mayor for endorsement;

- **23 January 2013** - Council considers the 2012/13 Mid-year Review and Adjustments Budget;
- **9 March 2013** - Recommendations of the Mayor are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2013/14 MTREF is revised accordingly;
- **27 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF for public consultation;
April 2013 – Public consultation;
- **30 April 2013** - Closing date for written comments;
- **2 to 8 May 2013** – finalisation of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Act and financial framework;
- **29 May 2013** – Consider approval in terms of section 24(1) of the MFMA, and
- **29 May 2013** - Tabling of the 2013/14 MTREF before Council for approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

A third generation IDP document has been compiled and it started in July 2011 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/14 MTREF in July.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 66 and 67 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2013/14 MTREF will be tabled before Council on 27 March 2013 for community consultation and will be published on the municipality's website, hard copies will be made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process starting in April 2013. The dates of these meetings will be advertised in the local media. The following notice will be published in the local media:

MUNICIPAL NOTICE.... / 2013**TABLING OF MULTI-YEAR BUDGET 2013/2014****INTEGRATED DEVELOPMENT PLAN****PUBLIC MEETING FOR 2013/2014 BUDGET YEAR**

Notice is hereby given in terms of Chapter 4 of the Municipal Systems Act, No 32 of 2000 and Section 16(2) of the Municipal Finance Management Act, No 56 of 2003 that the Mayor of uMngeni Municipality has tabled the draft Integrated Development Plan and Multi-year Budget for the 2013/2014, 2014/2015 and 2015/2016 years at a Council Meeting held on 27 March 2012.

In terms of Section 22 of the Municipal Finance Management Act, No 56 of 2003, the budget will be made public and the local community is invited to submit representations in connection with the budget and the IDP.

Copies of the draft budget and IDP will be open for inspection at all Libraries, Municipal Offices and the Budget and Treasury Office of the Chief Financial Officer, corner Somme and Dick streets, Howick during office hours, 08h00 – 16h00 Monday to Friday. Photostat copies of the budget document can be made available at R1.00 per page.

Further notice is also hereby given in terms of Chapter 4 of the Municipal Systems Act, No 32 of 2000 and Section 23 (1)(a) of the Municipal Finance Management Act, No 56 of 2003, that the following public meetings will take place to show case budget highlights from the uMngeni Municipality Multi-year Budget for the 2013/2014, 2014/2015 and 2015/2016 financial years. At this meeting the Integrated Development Plan will also be presented.

| Venue | Date: | Time: |
|--------------------------------------|---------------------------|--------------|
| Howick (Ward Committee Members only) | 14 April 2013 | 10h00 |
| Council Chambers | | |
| c/o Dicks and Somme Street | | |
| Howick | | |
| Public meeting with all wards | 15 April to 28 April 2013 | 10h00 |

The closing date for input / comments on the draft budget and IDP is 30 April 2013 as Council will consider the approval of the budget and IDP on 29 May 2013.

DR. M.B. NGUBANE

MUNICIPAL MANAGER

uMngeni Municipality

Corner Dicks and Somme Streets

PO Box 5

Howick, 3290

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects have been addressed, and where relevant considered as part of the finalisation of the 2013/14 MTREF. Feedback and responses to the submissions received will be available on request. The inputs were presented to Council for consideration before finalising the 2013/14 budget.

The draft 2013/14 MTREF tabled for community consultation included the following:

- The final Eskom bulk tariff increase, applicable to municipalities from 1 July 2013, was factored into the proposed consumer tariffs, applicable from 1 July 2013. This resulted in an increase of 8 per cent;
- The National Treasury's recommended salary increase of 6.85% was included in the 2013/14 MTREF.
- The 2012 Division of Revenue Act (DORA) grant allocations were and aligned to the gazetted allocations.
- An increase of 6% in the rate randage, refuse removal tariffs and other charges

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 24 IDP Strategic Objectives

| 2013/14 Financial Year | 2014/15 MTREF |
|---|---|
| 1. The provision of quality basic services and infrastructure | 1. Provision of quality basic services and infrastructure |
| 2. Acceleration of higher and shared economic growth and development | 2. Economic growth and development that leads to sustainable job creation |
| 3. Fighting of poverty, building clean, healthy, safe and sustainable communities | 3.1 Fight poverty and build clean, healthy, safe and sustainable communities |
| | 3.2 Integrated Social Services for empowered and sustainable communities |
| 4. Fostering participatory democracy and adherence to uMngeni principles through a caring, accessible and accountable service | 4. Foster participatory democracy and uMngeni principles through a caring, accessible and accountable service |
| 5. Good governance, Financial viability and institutional governance | 5.1 Promote sound governance |
| | 5.2 Ensure financial sustainability |
| | 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives |

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development,

economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - o Provide electricity;
 - o Provide waste removal;
 - o Provide housing;
 - o Provide roads and storm water;
 - o Provide Municipality planning services; and
 - o Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - o Ensuring there is a clear structural plan for the Municipality;
 - o Ensuring planning processes function in accordance with set timeframes;
 - o Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - o Effective implementation of the Indigent Policy;
 - o Working with the provincial department of health to provide primary health care services;
 - o Extending waste removal services and ensuring effective Municipality cleansing;
 - o Ensuring all waste water treatment works are operating optimally;
 - o Working with strategic partners such as SAPS to address crime;
 - o Ensuring safe working environments by effective enforcement of building and health regulations;
 - o Promote viable, sustainable communities through proper zoning; and
 - o Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - o Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and uMngeni principles through a caring, accessible and accountable service by:
 - o Optimising effective community participation in the ward committee system; and
 - o Implementing uMngeni in the revenue management strategy.
- 5.1 Promote sound governance through:
 - o Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - o Reviewing the use of contracted services
 - o Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole;
- and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2012/13 revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 25 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

| Strategic Objective | Goal | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Revenue | | | 170,445 | 215,924 | | 223,637 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |
| Allocations to other priorities | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 1 | 170,445 | 215,924 | - | 223,637 | 230,581 | 230,581 | 271,259 | 287,025 | 307,499 |

Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

| Strategic Objective | Goal | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------|------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Expenditure | | | | 179,357 | 199,784 | 223,478 | 230,377 | 230,377 | 260,634 | 273,509 | 290,132 |
| Allocations to other priorities | | | | | | | | | | | |
| Total Expenditure | | 1 | - | 179,357 | 199,784 | 223,478 | 230,377 | 230,377 | 260,634 | 273,509 | 290,132 |

Table 27 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

| Strategic Objective | Goal | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------|------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Capital works | | | 31,230 | 21,558 | | 16,190 | 21,605 | 21,605 | 25,202 | 25,510 | 22,978 |
| Other | | | | | | | | | 7,060 | 9,300 | 15,500 |
| Allocations to other priorities | | | | | | | | | | | |
| Total Capital Expenditure | | | 31,230 | 21,558 | - | 16,190 | 21,605 | 21,605 | 32,262 | 34,810 | 38,478 |

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

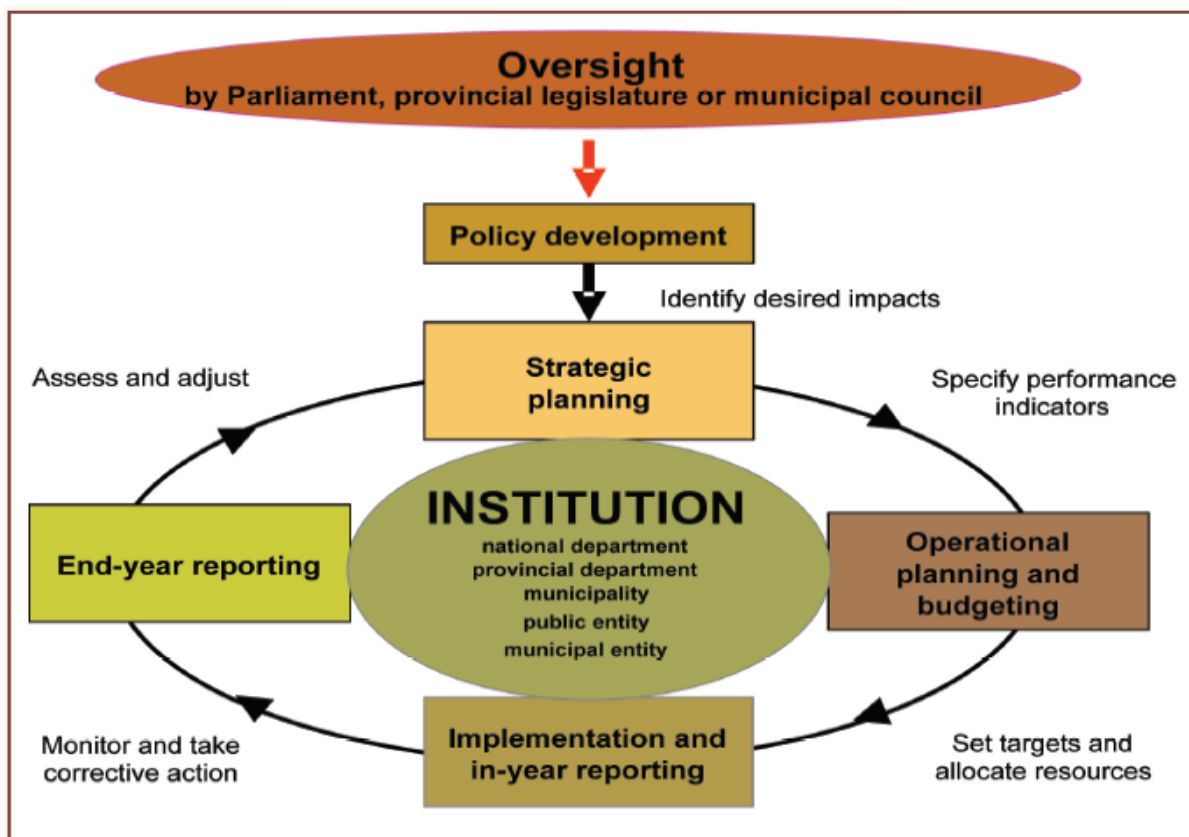


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

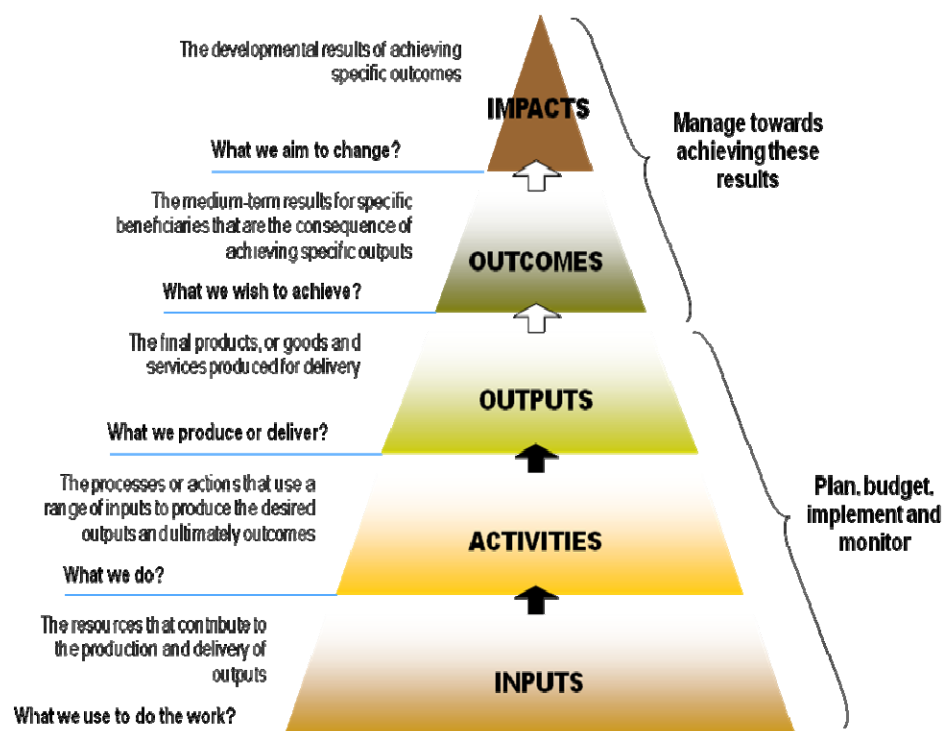


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 28 MBRR Table SA7 - Measurable performance objectives

| KEY FINANCIAL RATIOS/INDICATORS | | |
|--|---|---------|
| Financial Benchmarks | Basis of Calculation | 2010/11 |
| Debt to Asset Ratio | Total Debt/Total Assets | 0.06:1 |
| Debt to Revenue | Total Debt/Annual Income | 0.06:1 |
| Average Interest Paid on Debt | Interest Paid/Total Interest Bearing Debt | 0.09:1 |
| Capital Charges to Operating Expenditure | Interest & Principal Paid/Operating Expenditure | 0.01:1 |
| Interest as a % of Operating Expenditure | Interest Paid/Operating Expenditure | 1.89% |
| Current Ratio | Current Assets/Current Liabilities | 0.6:1 |
| Creditors System Efficiency | % of Creditors Paid within terms | 95% |
| Electricity Distribution Losses | Total Units Purchased less Total Units Sold/Total Units Purchased | 38% |

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 29 MBRR Table SA8 - Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| <u>Borrowing Management</u> | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 2.7% | 4.7% | 2.4% | 3.5% | 3.4% | 3.4% | 3.4% | 3.2% | 3.1% | 2.8% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 3.4% | 5.7% | 3.0% | 4.3% | 4.3% | 4.3% | 4.3% | 3.7% | 3.5% | 3.2% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Safety of Capital</u> | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 196.4% | 25.7% | 21.2% | 22.6% | 22.6% | 22.6% | 22.6% | 15.0% | 13.9% | 12.0% |
| <u>Liquidity</u> | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 1.0 | 0.6 | 0.6 | 1.1 | 2.0 | 2.0 | 2.0 | 2.3 | 2.4 | 2.3 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1.0 | 0.6 | 0.6 | 1.1 | 2.0 | 2.0 | 2.0 | 2.2 | 2.3 | 2.3 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.1 | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.2 | 0.5 | 0.6 | 0.6 |
| <u>Revenue Management</u> | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 0.0% | 0.0% | 0.0% | 85.1% | 85.7% | 85.7% | 85.7% | 89.5% | 88.2% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | | 0.0% | 0.0% | 0.0% | 85.1% | 85.7% | 85.7% | 85.7% | 89.5% | 88.2% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 33.1% | 22.3% | 18.1% | 31.3% | 28.5% | 28.5% | 28.5% | 28.7% | 25.5% | 21.3% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| <u>Creditors Management</u> | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA' s 65(e)) | 70.0% | 65.0% | | | | | | 60.0% | 100.0% | 100.0% |
| Creditors to Cash and Investments | | 36.5% | 41.2% | 31.4% | 3031.5% | 233.7% | 233.7% | 233.7% | 1984.9% | -518.2% | -248.2% |
| <u>Other Indicators</u> | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | 0.4 | 0.45 | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | 26,643 | 27,176 | 27,719 |
| Water Distribution Losses (2) | Total Volume Losses (k?) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 33.9% | 31.5% | 30.5% | 32.8% | 31.8% | 31.8% | 31.8% | 29.1% | 29.2% | 29.0% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 36.0% | 33.4% | 0.0% | 0.0% | 0.0% | 0.0% | | 31.2% | 31.4% | 31.1% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 4.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | 10.8% | 10.0% | 9.4% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 6.8% | 6.7% | 7.9% | 6.2% | 6.0% | 6.0% | 6.0% | 5.5% | 5.3% | 4.9% |
| <u>IDP regulation financial viability indicators</u> | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 34.9 | 231.5 | 45.6 | 45.9 | 45.9 | 45.9 | 39.8 | 47.1 | 46.0 | 49.0 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 59.3% | 37.8% | 28.4% | 43.4% | 40.3% | 40.3% | 40.3% | 39.8% | 35.2% | 29.6% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 7.1 | 10.0 | 8.2 | 0.1 | 0.6 | 0.6 | 0.6 | 0.1 | (0.4) | (0.7) |

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, uMngeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased from 2.7 per cent in 2009/10 to 3.4 per cent in 2012/13. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 3.2 per cent in 2013/14 and will then decrease to 2.8 per cent at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality has raised mainly amortising loans over the past six years, hence effectively 'front-loading' its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2012 and 2018. Debt service costs are expected to peak in 2018 due to the redemption of the last few term loans held by the Municipality.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. Between 2009/10 and 2012/13 the gearing ratio peaked at 22.6 per cent. This was primarily a result of the increased borrowing levels and decreasing funds and reserves. While the gearing ratio decreases to 15.0 per cent in the 2013/14 financial year, the medium term strategy is to steadily reduce the gearing ratio to a level that does not exceed 50 per cent as a prudential limit, hence, over the 2013/14 MTREF the ratio decreases to 12.0 per cent in 2015/16.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2013/14 MTREF the current ratio is 2.3 in the 2013/14 financial year and 2.4 and 2.3 for the two outer years of the MTREF. Going forward it will be necessary to increase these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 financial year the ratio was 0.5 and as part of the financial planning strategy it has been increased to 0.6 in the 2013/14 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

- The Municipality could not manage to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has not managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a negative impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to damage the Municipality in the form of more competitive pricing of tenders, as suppliers will not compete for the Municipality's business.

2.3.1.6 Other Indicators

- The electricity distribution losses have increased upwards from 40 per cent in the 2012/13 financial year to 38 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2013/14 financial year 3103 registered indigents have been provided for in the budget with this figured increasing to 3503 by 2015/16. In terms of the Municipality's indigent policy registered households are entitled to 100 kwh of electricity and free waste removal for all properties with a value of up to R200 000 as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 23 MBRR A10 (Basic Service Delivery Measurement) on page 35.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3. Rates Policy

2.4.4 Tariff Policy

2.4.5 Credit Control & Debt Collection Policy

2.4.6 Subsistence & Travel Policy

2.4.7 Leave Policy

2.4.8 Human Resources Training & Development Policy.

2.4.9 Virement Policy

2.4.10 Funding and Reserves Policy

2.4.11 Cash Management and Investment Policy

2.4.12 Overtime Policy

2.4.13 Organisational Performance Management Policy

2.4.14 Social Housing Policy

2.4.15 Property Management Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1)(b) of the Act.

2.4.1 BUDGET POLICY

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

2.4.2 SUPPLY CHAIN MANAGEMENT POLICY

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

- a. A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996
- b. As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations
- c. Best practices in supply chain management
- d. Uniformity in supply chain management systems between organs of state in all spheres

e. Broad Based Black Economic Empowerment

2.4.3 RATES POLICY

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

2.4.4 TARIFF POLICY

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

2.4.5 CREDIT CONTROL & DEBT COLLECTION POLICY

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

2.4.6 SUBSISTANCE AND TRAVEL POLICY

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

2.4.7 LEAVE POLICY

The leave policy for uMngeni Municipality was adopted by Council in January 2009 and the goal is to ensure that the services rendered by this municipality to the community are efficient, effective and uninterrupted.

The objections are as follows:

- (i) Ensure continuity in operational requirements of the organisation while other employees are on leave.

- (ii) To develop a better understanding regarding leave policy and procedure.
- (iii) Ensure the development of clearly written administrative policy and procedure.
- (iv) To ensure proper and accurate record keeping.
- (v) To ensure that the private and confidential information is maintained.
- (vi) Ensure that leave policy respond effectively to crisis and emergency situations.

2.4.8 HUMAN RESOURCE TRAINING AND DEVELOPMENT POLICY

This policy deals with the process whereby people acquire the necessary knowledge and skills to perform delegated tasks. The objective is to ensure that the municipality is served by professional, competent, and productive employees who will have, through continuous improvement in skills and attitude facilitated by the Training Division, distinguish themselves of being capable of delivering high quality services to all people in an endeavour to achieve the municipal strategic objectives.

2.4.9 VIREMENT POLICY

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

2.4.10 FUNDING AND RESERVES POLICY

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve it's capital expenditure objectives in a optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality

2.4.11 CASH MANAGEMENT AND INVESTMENT POLICY

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

2.4.12 OVERTIME POLICY

This policy is to ensure that a clear policy guideline is established for all employees of the municipality for working overtime and performing standby duties.

2.4.13 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY

The Performance Management System (PMS) is aimed at:

Providing Guidelines on the effective implementation and maintenance of a single and uniform performance management process within uMngeni Municipality;

Ensuring that every employee's output is optimized in terms of quality and quantity, thereby improving uMngeni Municipality's overall performance and service delivery;

Ensuring that individual employee performance is evaluated fairly and objectively;

Ensuring that categories of performance that exceed expectations are recognized, and;

Also ensuring that categories of performance that do not meet expectations are managed.

2.4.14 SOCIAL HOUSING POLICY

The objectives of this Social Housing Policy for uMngeni Municipality are as follows;

To address the housing backlog in the uMngeni municipal area

To ensure that housing beneficiaries are given a choice in respect of the housing types that will suite their life styles and requirements

To facilitate the development and rejuvenation of the town of Howick through social housing development

uMngeni Municipality also intends to facilitate the institution of a Social Housing Company that will be responsible for driving and championing social housing projects within the Municipal area through the social housing policy

This policy seeks to address the imbalances of the past which were a result of the promulgation of policies under the apartheid regime that granted specifically located land for racial segregation as such policies were also determining the urban landscape.

The acceptance of this policy by uMngeni Municipality's EXCO will enable the Municipality and other role-players in the social housing sector to work co-operatively towards improving and upgrading the municipal infrastructure in the identified restructuring zones so that new social housing projects have easy access to services as per Chapter 2, section 5 (iii) of the Social Housing Policy, 2006.

To ensure access to funding for social housing development is not interrupted by a lack of policy framework within the municipal structure/municipality

The policy is intended to create an enabling environment for the Municipality to enter into performance agreements with social housing institutions that will be responsible for the overall management of social housing stock within uMngeni Municipality

All the above policies are available at the Municipal Offices in Howick, Hilton, Mpophomeni and Howick West, all the libraries in Howick, Howick West, Hilton and Mpophomeni as well as on the municipality's website www.umngeni.gov.za.

2.4.15 PROPERTY MANAGEMENT POLICY

The objectives of this policy are:

- To ensure the effectiveness and efficient control, utilisation, safeguarding and strategic property management of municipality's immovable property (property, plant and equipment).
- To ensure asset managers (property managers) are aware of their responsibilities with regards to property, plant and equipment.
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation.
- To specify the process required before expenditure on property, plant equipment occurs.
- To emphasize a culture of transparency and accountability over assets.
- To ensure compliance with all legislative, policies, by laws and accounting prescriptions and requirements.

2.4 Overview of budget assumptions

2.5.1 External factors

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy, real GDP growth is likely to fall to about 2.1 per cent in 2013.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2014 and 2015 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 25 per cent.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained

expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 30% per cent of total operating expenditure in the 2013/14 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted. Provision was made for a 6.85% increase.

2.5.3 Credit rating outlook

Table 30 Credit rating outlook

| Security class | Currency | Rating | Annual rating 2010/11 | Previous Rating |
|----------------|----------|----------|-----------------------|-----------------|
| Short term | Rand | Prime -1 | 30 November 2011 | Prime -1 |
| Long-term | Rand | Baa2.za | 30 November 2011 | Baa2.za |
| Outlook | Rand | Negative | 30 November 2011 | Negative |

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Baa2.za

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2013/14 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (70 per cent) of annual billings. Cash flow is assumed to be 70 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.7 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and makes provision for an increase equal to the average CPI plus 1.25% in 2013/14. An across the board increase of 6.85 per cent has been provided for as per Circular 67 from National Treasury.

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link

between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 90 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 31 Breakdown of the operating revenue over the medium-term

| Description R thousand | 2013/14 Medium Term Revenue & Expenditure Framework | | | | | |
|---------------------------------------|---|---------------|--------------------|---------------|--------------------|---------------|
| | 2013/14 | % | 2014/15 | % | 2015/16 | % |
| Property Rates | 117,655,000 | 43.4% | 124,463,000 | 43.4% | 131,414,000 | 42.7% |
| Penalties Imposed | 3,607,000 | 1.3% | 3,791,000 | 1.3% | 3,977,000 | 1.3% |
| User Charges for Services | 73,215,000 | 27.0% | 77,949,000 | 27.2% | 84,851,000 | 27.6% |
| Rent of Facilities & Equipment | 1,052,000 | 0.4% | 1,106,000 | 0.4% | 1,160,000 | 0.4% |
| Interest Earned- External Investments | 352,000 | 0.1% | 370,000 | 0.1% | 389,000 | 0.1% |
| Interest Earned- Outstanding Debtors | 1,065,000 | 0.4% | 1,119,000 | 0.4% | 1,174,000 | 0.4% |
| Fines | 12,242,000 | 4.5% | 12,867,000 | 4.5% | 13,497,000 | 4.4% |
| Licences & Permits | 2,310,000 | 0.9% | 2,428,000 | 0.8% | 2,547,000 | 0.8% |
| Operating Grants & Subsidies | 45,252,000 | 16.7% | 46,920,000 | 16.3% | 51,354,000 | 16.7% |
| Other Income | 14,507,000 | 5.3% | 16,011,000 | 5.6% | 17,135,000 | 5.6% |
| Total Operating Revenue | 271,258,000 | 100.0% | 287,025,000 | 100.0% | 307,499,000 | 100.0% |
| Total Operating Expenditure | 260,634,000 | | 273,509,000 | | 290,132,000 | |
| Surplus/(Deficit) | 10,624,000 | | 13,516,000 | | 17,367,000 | |

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;

- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2013/14 MTREF on the different revenue categories are:

Table 32 Proposed tariff increases over the medium-term

| Revenue category | 2013/14 proposed tariff increase | 2014/15 proposed tariff increase | 2015/16 proposed tariff increase | 2013/14 additional revenue for each % tariff increase | 2014/15 additional revenue owing to % tariff increase | 2015/16 additional revenue owing to % tariff increase |
|------------------|--|--|--|---|---|---|
| | % | % | % | R'000 | R'000 | R'000 |
| Property rates | 6 | 6 | 6 | R6.000 | R6.400 | R7.000 |
| Solid Waste | 6 | 6 | 6 | R500 | R525 | R550 |
| Electricity | 8 | 8 | 8 | R6.500 | R7.000 | R8.000 |
| Total | | | | R13.000 | R13.925 | R15.550 |

Revenue to be generated from property rates is R121.2 million in the 2013/14 financial year and increases to R135.3 million by 2015/16 which represents 44 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections and appeals, although the Valuations Appeals Board has dealt with a limited number of these it is anticipated that the process will only be concluded during the 2013/14 MTREF. As the levying of property rates is considered a strategic revenue source further supplementary valuation processes will be undertaken in the 2013/14 MTREF. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totalling R73.2 million for the 2013/14 financial year and increasing to R84.8 million by 2015/16. For the 2013/14 financial year services charges amount to 27 per cent of the total revenue base and increases to 27.6 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R45.2 million, R46.9 million and R51.3 million for each of the respective financial years of the MTREF, or 16.7, 16.3 and 16.7 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 3.7 per cent and 9.3 per cent for the two outer years. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 33 MBRR SA15 – Detail Investment Information

| Investment type | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | 1 | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | 969 | 3,208 | | | | | 21,964 | 22,403 | 22,851 |
| Deposits - Public Investment Commissioners | | 7 | - | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Municipal Bonds | | | | | | | | | | |
| Municipality sub-total | 1 | 976 | 3,208 | - | - | - | - | 21,964 | 22,403 | 22,851 |
| Consolidated total: | | 976 | 3,208 | - | - | - | - | 21,964 | 22,403 | 22,851 |

Table 34 MBRR SA16 – Investment particulars by maturity

| Investments by Maturity | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate 3. | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Monetary value | Interest to be realised |
|---------------------------------------|----------|----------------------|--------------------|-----------------------------|---------------------------------|------------------|-------------------------|----------------------|---------------------------|----------------|-------------------------|
| | | Yrs/Months | | | | | | | | Rand thousand | |
| Parent municipality | | | | | | | | | | | |
| RMB ASSET MANAGEMENT | | Call | MONEY MARKET | yea | Fixed | #REF! | 0 | 0 | n/a | 7,500 | 203 |
| ABSA BANK | | Call | CALL ACCOUNT | no | Variable | #REF! | 0 | 0 | n/a | 13,129 | - |
| ABSA BANK | | Call | CALL ACCOUNT | no | Variable | #REF! | 0 | 0 | n/a | 1,334 | - |
| Municipality sub-total | | | | | | | | | | 21,964 | 203 |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 21,964 | 203 |

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R274 thousand, R1.1 million and R2.7 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds although this is not at all sufficient.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2013/14 medium-term capital programme:

Table 35 Sources of capital revenue over the MTREF

| Description R thousand | 2013/14 Medium Term Revenue & Expenditure Framework | | | | | |
|---|---|-------------|-------------------|-------------|-------------------|-------------|
| | 2013/14 | % | 2014/15 | % | 2015/16 | % |
| Funded By: | | | | | | |
| National Government | 21,912,000 | | 21,429,000 | | 22,868,000 | |
| Provincial Government | | | | | | |
| Transfers recognised - capital | 21,912,000 | 67.9% | 21,429,000 | 61.6% | 22,868,000 | 59.4% |
| Public contributions & donations | - | | - | | - | |
| Borrowing | - | | - | | - | |
| Internally generated funds | 10,350,000 | 32.1% | 13,381,000 | 38.4% | 15,610,000 | 40.6% |
| Total Capital Funding | 32,262,000 | 100% | 34,810,000 | 100% | 38,478,000 | 100% |

Capital grants and receipts equates to 67.9 per cent of the total funding source which represents R21.9 million for the 2013/14 financial year and steadily increase to R22.8 million or 59.4 per cent by 2015/16. Growth relating to grant receipts is 4.1 per cent over the medium-term.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 36 MBRR Table SA 17 - Detail of borrowings

| Borrowing - Categorised by type R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Parent municipality | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | 44,065 | 41,895 | 40,332 | 42,574 | 38,461 | 38,461 | 34,816 | 33,057 | 28,924 |
| Long-Term Loans (non-annuity) | | | | | | | | | | |
| Local registered stock | | | | | | | | | | |
| Instalment Credit | | | | | | | | | | |
| Financial Leases | | | | | | | | | | |
| PPP liabilities | | | | | | | | | | |
| Finance Granted By Cap Equipment Supplier | | | | | | | | | | |
| Marketable Bonds | | | | | | | | | | |
| Non-Marketable Bonds | | | | | | | | | | |
| Bankers Acceptances | | | | | | | | | | |
| Financial derivatives | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Municipality sub-total | 1 | 44,065 | 41,895 | 40,332 | 42,574 | 38,461 | 38,461 | 34,816 | 33,057 | 28,924 |
| Total Borrowing | 1 | 44,065 | 41,895 | 40,332 | 42,574 | 38,461 | 38,461 | 34,816 | 33,057 | 28,924 |

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of

this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R10.3 million in 2013/14, R13.3 in 2014/15 and R15.6 million in 2015/16.

Table 37 MBRR Table SA 18 - Capital transfers and grant receipts

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 35,742 | 28,567 | 32,799 | 37,602 | 37,602 | 37,602 | 40,648 | 42,933 | 47,220 |
| Local Government Equitable Share | | 20,872 | 26,617 | 30,559 | 35,302 | 35,302 | 35,302 | 34,038 | 36,402 | 40,455 |
| Municipal Systems Improvement Grant | | 735 | 750 | 790 | 800 | 800 | 800 | 890 | 934 | 967 |
| Finance Management Grant | | 750 | 1,200 | 1,450 | 1,500 | 1,500 | 1,500 | 1,550 | 1,600 | 1,650 |
| Provincial Government: | | 2,926 | 2,584 | 2,935 | 1,812 | 5,475 | 5,475 | 4,844 | 2,987 | 3,134 |
| Municipal Clinics | | 2,501 | 1,666 | 2,032 | | | | | | |
| Museums | | 68 | 73 | 125 | 134 | 134 | 134 | 143 | 151 | 166 |
| Libraries Cyber Cadets | | 96 | 180 | - | 207 | 207 | 207 | 2,701 | 2,836 | 2,968 |
| Libraries STAFFING | | - | - | | | 1,134 | 1,134 | - | - | - |
| Libraries Recapitalisation | | | | | 1,471 | - | - | | | |
| LED Gijima Umngeni Business Support | | 12 | - | 196 | | | | | | |
| LED Gijima Umngeni Howick Falls Project | | - | - | 583 | | | | | | |
| LED Gijima KZN Agro Process & Benefication Project | | 15 | - | | | | | | | |
| Map Financial Management & Internal Control | | 100 | - | | | | | | | |
| Youth Advisory Centre (Umsobomvu Youth Fund | | 27 | - | | | | | | | |
| Lums Spatial Planning | | 11 | - | | | | | | | |
| Cleanest Town Award (Agriculture & Environmental Aff | | 96 | 265 | | | | | | | |
| Grants DTI | | - | - | | | | | | | |
| LED Strategy | | - | 400 | | | | | | | |
| Expanded Public Works programme | | | | | | 4,000 | 4,000 | 2,000 | | |
| Mig | | | | | | | | | | |
| District Municipality: | | 912 | 692 | - | - | - | - | - | - | - |
| Shared Services Development Planning | | 912 | 692 | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 39,579 | 31,843 | 35,734 | 39,414 | 43,077 | 43,077 | 45,492 | 45,920 | 50,354 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 33,383 | 9,553 | 13,347 | - | - | - | 21,912 | 23,429 | 24,868 |
| Municipal Infrastructure Grant | | 12,944 | 6,553 | 13,347 | | | | 18,912 | 21,429 | 22,868 |
| Neighbourhood development Partnership | | 11,000 | 3,000 | | | | | 2,000 | 1,000 | 1,000 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| Mpophomeni Library Furniture Donated | | | | | | | | | | |
| Corridor Development Mandela Capture Site | | 4,000 | - | | | | | | | |
| Link Road Construction | | - | - | | | | | | | |
| Mpophomeni Library Head Count System | | - | - | | | | | | | |
| Mpophomeni Gateway | | 2,000 | 3,000 | | | | | | | |
| N3 Tweedie Interchange | | 1,000 | 2,500 | | | | | | | |
| Inkanya Village/Cedara College Road | | 2,000 | - | | | | | | | |
| Library Recapitalisation | | | | | | | | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 38 MBRR Table A7 - Budget cash flow statement

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Ratepayers and other | | | | | 156,341 | 157,970 | 157,970 | 157,970 | 201,981 | 211,489 | 222,662 |
| Government - operating | 1 | 50,013 | 38,895 | 26,461 | 39,707 | 45,429 | 45,429 | 45,429 | 45,252 | 47,515 | 49,843 |
| Government - capital | 1 | - | 12,778 | | 16,190 | 16,190 | 16,190 | 16,190 | 21,912 | 21,429 | 22,868 |
| Interest | | 257 | 481 | 1,285 | 300 | 300 | 300 | 300 | 991 | 1,041 | 1,092 |
| Dividends | | | | | | - | - | - | | | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | | | | (187,249) | (187,249) | (187,249) | (187,249) | (246,282) | (262,109) | (276,224) |
| Finance charges | | (4,932) | (5,772) | (5,982) | (4,209) | (4,209) | (4,209) | (4,209) | (4,804) | (4,623) | (4,075) |
| Transfers and Grants | 1 | | | | | | | | | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 45,338 | 46,382 | 21,764 | 21,080 | 28,431 | 28,431 | 28,431 | 19,049 | 14,742 | 16,166 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 999 | | 479 | | | | | | | |
| Decrease (Increase) in non-current debtors | | | | | | | | | | | |
| Decrease (Increase) other non-current receivables | | | | 32 | | | | | | | |
| Decrease (Increase) in non-current investments | | | | 1,718 | | | | | | | |
| Payments | | | | | | | | | | | |
| Capital assets | | | | (21,528) | (16,190) | (16,190) | (16,190) | (16,190) | (32,262) | (34,810) | (38,478) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | 999 | - | (19,299) | (16,190) | (16,190) | (16,190) | (16,190) | (32,262) | (34,810) | (38,478) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | - | | | | | | |
| Borrowing long term/refinancing | | 3,125 | | | - | | | | 10,000 | 15,000 | 20,000 |
| Increase (decrease) in consumer deposits | | | | | - | | | | | | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | (3,600) | 575 | (3,707) | (3,707) | (3,707) | (3,707) | (3,645) | (3,760) | (4,132) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 3,125 | (3,600) | 575 | (3,707) | (3,707) | (3,707) | (3,707) | 6,355 | 11,240 | 15,868 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | | | | | | | | | |
| Cash/cash equivalents at the year begin: | 2 | 29,649 | 79,110 | 121,892 | 1,183 | 8,534 | 8,534 | 8,534 | (6,858) | (8,827) | (6,444) |
| Cash/cash equivalents at the year end: | 2 | 79,110 | 121,892 | 124,932 | 1,484 | 8,835 | 8,835 | 8,835 | 1,977 | (6,851) | (13,295) |

The above table shows that cash and cash equivalents of the Municipality were largely depleted between the 2009/10 and 2012/13 financial year moving from a positive cash balance of R79.1 million to a surplus of R8.8 million with the approved 2012/13 MTREF. With the 2012/13 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

For the 2013/14 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to improve to R1.9 million positive by 2013/14 and decreasing to R13.2million negative by 2015/16.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 39 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 79,110 | 121,892 | 124,932 | 1,484 | 8,835 | 8,835 | 8,835 | 1,977 | (6,851) | (13,295) |
| Other current investments > 90 days | | (75,455) | (120,092) | (128,670) | (4,780) | (4,833) | (4,833) | (4,833) | 19,987 | 29,253 | 36,146 |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 3,655 | 1,801 | (3,738) | (3,295) | 4,002 | 4,002 | 4,002 | 21,964 | 22,403 | 22,851 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 28,329 | 21,750 | 13,662 | 10,000 | 6,499 | 6,499 | 6,499 | 1,631 | 1,782 | 1,960 |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | - | - | - | - | - | - | - | - | - | - |
| Other working capital requirements | 3 | - | - | - | - | - | - | - | - | - | - |
| Other provisions | | - | - | - | - | - | - | - | - | - | - |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | 11,949 | - | - | - | - | - |
| Total Application of cash and investments: | | 28,329 | 21,750 | 13,662 | 10,000 | 18,448 | 6,499 | 6,499 | 1,631 | 1,782 | 1,960 |
| Surplus(shortfall) | | (24,673) | (19,949) | (17,400) | (13,295) | (14,445) | (2,496) | (2,496) | 20,333 | 20,621 | 20,891 |

From the above table it can be seen that the cash and investments available total R21.9 million positive in the 2013/14 financial year and progressively increase to R22.8 million positive by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is

obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2012/13 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2013/14 financial year no provision has been made for this liability as the total unspent conditional grant liability of R5.4 million has been factored into the 2013/14 capital programme of the Municipality. The Municipality has received the necessary roll-over approval from the National Treasury as the funding appropriation relating to the unspent conditional grants could be motivated as part of existing projects.

- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totalled R0 million for the 2013/14 financial year.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the Municipality in 2012/13 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Against other provisions an amount R0 million has been provided for the 2013/14 financial year and this increases to R0 million by 2015/16. This liability is informed by, amongst others, the supplementary pension liability.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

It can be concluded that the Municipality has a deficit against the cash backed and accumulated surpluses reconciliation. The level of non cash-backing progressively increased over the period 2009/10 to 2012/13 to R20.8 million in 2015/16. The municipality has essentially depleted all cash reserves which is a serious concern and should be considered a strategic risk to the financial stability of the Municipality. As part of the planning strategy, this deficit needs to be aggressively managed downwards and as part of the medium term planning objectives. It is aimed that by 2015/16 this deficit would have been significantly reduced translating into a surplus of R20.8 million. It needs to be noted that for all practical purposes the 2012/13 MTREF was unfunded when considering the funding requirements of section 18 and 19 of the MFMA. The 2013/14 MTREF has been informed by ensuring the financial plan meets the minimum

requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 40 MBRR SA10 – Funding compliance measurement

| Description | MFMA section | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R | 18(1)b | 1 | 79,110 | 121,892 | 124,932 | 1,484 | 8,835 | 8,835 | 8,835 | 1,977 | (6,851) | (13,295) |
| Cash + investments at the yr end less appl | 18(1)b | 2 | (53,572) | (70,144) | (56,633) | 1,302 | 21,270 | 33,219 | 33,219 | 50,819 | 49,568 | 44,987 |
| Cash year end/monthly employee/supplier | 18(1)b | 3 | 7.1 | 10.0 | 8.2 | 0.1 | 0.6 | 0.6 | 0.6 | 0.1 | (0.4) | (0.7) |
| Surplus/(Deficit) excluding depreciation offs | 18(1) | 4 | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Service charge rev % change - macro CPI | 18(1)a,(2) | 5 | N.A. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cash receipts % of Ratepayer & Other reve | 18(1)a,(2) | 6 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Debt impairment expense as a % of total b | 18(1)a,(2) | 7 | 2.5% | 3.9% | 12.1% | 1.9% | 1.8% | 1.8% | 1.8% | 0.3% | 0.3% | 0.3% |
| Capital payments % of capital expenditure | 18(1)c:19 | 8 | 0.0% | 0.0% | 0.0% | 100.0% | 74.9% | 74.9% | 74.9% | 100.0% | 100.0% | 100.0% |
| Borrowing receipts % of capital expenditure | 18(1)c | 9 | 43.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 96.6% | 121.2% | 136.9% |
| Grants % of Govt. legislated/gazetted alloc | 18(1)a | 10 | | | | | | | | 0.0% | 0.0% | 0.0% |
| Current consumer debtors % change - incr | 18(1)a | 11 | N.A. | (24.4%) | (9.6%) | 60.9% | (6.1%) | 0.0% | 0.0% | 18.5% | (6.2%) | (10.2%) |
| Long term receivables % change - incr(dec) | 18(1)a | 12 | N.A. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 3.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.6% | 6.6% | 7.9% | 10.8% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the

2013/14 MTREF shows R1.9 million positive, R6.8 million and R13.2 million negative for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 21, on page 31. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been falling significantly for the period 2009/10 to 2012/13, moving from 2.9 to (0.1) with the adopted 2012/13 MTREF. As part of the 2013/14 MTREF the municipalities decreasing cash position causes the ratio to move to 0.1 and then decreases to (0.7) for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/14 MTREF the indicative outcome is a surplus of R274 thousand, R1.1 million and R2.7 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real

increase in revenue. From the table above it can be seen that the percentage growth totals 0, 0 and 0 per cent for the respective financial year of the 2013/14 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6 per cent, with the increase in electricity at 8 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 0, 0 and 0 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 70 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0.3, 0.3 and 0.3 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 96.6, 121.2 and 136.9 per cent of own funded capital.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 55 MBRR SA34C on page 117.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 54 MBRR SA34b on page 116.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 41 MBRR SA19 - Expenditure on transfers and grant programmes

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 35,742 | 28,567 | 32,166 | 37,602 | 40,300 | 40,300 | 40,648 | 42,933 | 47,220 |
| Local Government Equitable Share | | 20,872 | 26,617 | 30,559 | 35,302 | 35,302 | 35,302 | 34,038 | 36,402 | 40,455 |
| Municipal Systems Improvement Grant | | 735 | 750 | 790 | 800 | 800 | 800 | 890 | 934 | 967 |
| Finance Management Grant | | 750 | 1,200 | 817 | 1,500 | 4,198 | 4,198 | 1,550 | 1,600 | 1,650 |
| Provincial Government: | | 2,926 | 2,584 | 2,988 | 1,812 | 5,475 | 5,475 | 4,844 | 2,987 | 3,134 |
| Municipal Clinics | | 2,501 | 1,666 | 2,032 | - | - | - | - | - | - |
| Libraries Cyber Cadets | | 96 | 180 | 3 | - | - | - | 2,701 | 2,836 | 2,968 |
| Libraries STAFFING | | - | - | - | - | - | - | - | - | - |
| LED Gijima Umngeni Business Support | | 12 | - | 271 | - | - | - | - | - | - |
| LED Gijima Umngeni Howick Falls Project | | - | - | 518 | 207 | 1,341 | 1,341 | - | - | - |
| LED Gijima KZN Agro Process & Benefication Project | | 15 | - | - | 1,471 | - | - | - | - | - |
| Map Financial Management & Internal Control | | 100 | - | - | - | - | - | - | - | - |
| Youth Advisory Centre (Umsobomvu Youth Fund) | | 27 | - | - | - | - | - | - | - | - |
| Lums Spatial Planning | | 11 | - | - | - | - | - | - | - | - |
| Cleanest Town Award (Agriculture & Environmental Affairs Grants DTI) | | 96 | 265 | - | - | - | - | - | - | - |
| Expanded Public Works programme | | - | - | - | - | 4,000 | 4,000 | 2,000 | - | - |
| LED Strategy | | - | 400 | 39 | - | - | - | - | - | - |
| District Municipality: | | 912 | 692 | - | - | - | - | - | - | - |
| <i>Shared Services Development Planning</i> | | 912 | 692 | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| <i>(insert description)</i> | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 39,579 | 31,843 | 35,155 | 39,414 | 45,775 | 45,775 | 45,492 | 45,920 | 50,354 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 33,383 | 9,553 | 15,795 | 16,190 | 21,605 | 21,605 | 21,912 | 23,429 | 24,868 |
| Municipal Infrastructure Grant | | 12,944 | 6,553 | 11,977 | 16,190 | 21,605 | 21,605 | 18,912 | 21,429 | 22,868 |
| Integrated National Electrification Grant (Municipal) | | 9,439 | - | 2,562 | - | - | - | 1,000 | 1,000 | 1,000 |
| Neighbourhood development Partnership | | 11,000 | 3,000 | - | - | - | - | 2,000 | 1,000 | 1,000 |
| #REF1 | | | | 36 | | | | | | |
| Library Extensions | | | | - | - | - | - | | | |
| Link Road Construction | | | | 7 | - | - | - | | | |
| Mpophomeni Library Head Count System | | | | - | - | - | - | | | |
| Mpophomeni Gateway | | | | - | - | - | - | | | |
| N3 Tweedie Interchange | | | | - | - | - | - | | | |
| Inkanya Village/Cedara College Road | | | | 11 | - | 1,912 | 1,912 | | | |
| Library Recapitalisation | | | | | | | | | | |
| Other capital transfers/grants [insert description] | | | | | | | | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| <i>Shared Services Development Planning</i> | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| <i>DBSA Assets Register Grant</i> | | | | | | | | | | |
| Total capital expenditure of Transfers and Grants | | 33,383 | 9,553 | 22,104 | 16,190 | 27,152 | 27,152 | 21,912 | 23,429 | 24,868 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 72,962 | 41,396 | 57,259 | 55,604 | 72,926 | 72,926 | 67,404 | 69,349 | 75,222 |

Table 42 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Operating transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 706 | 1,318 | 2,065 | 2,698 | 2,698 | 2,698 | - | - | - |
| Current year receipts | | 22,357 | 28,567 | 32,799 | 37,602 | 37,602 | 37,602 | 33,842 | 37,019 | 40,721 |
| Conditions met - transferred to revenue | | 23,064 | 29,885 | 34,864 | 40,300 | 40,300 | 40,300 | 33,842 | 37,019 | 40,721 |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 2,363 | 1,547 | 831 | 907 | 907 | 907 | - | - | - |
| Current year receipts | | 2,926 | 2,584 | 2,935 | 1,812 | 5,475 | 5,475 | 1,631 | 1,782 | 1,960 |
| Conditions met - transferred to revenue | | 5,289 | 4,130 | 3,767 | 2,719 | 6,382 | 6,382 | 1,631 | 1,782 | 1,960 |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 73 | - | - | - | - | - | - | - | - |
| Current year receipts | | 912 | 692 | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | 985 | 692 | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | - | 468 | - | - | - | - | - | - | - |
| Current year receipts | | 30 | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | 30 | 468 | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total operating transfers and grants revenue | | 29,368 | 35,176 | 38,631 | 43,019 | 46,682 | 46,682 | 35,473 | 38,801 | 42,681 |
| Total operating transfers and grants - CTBM | 2 | - | - | - | - | - | - | - | - | - |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 1,463 | 13,757 | - | - | - | - | - | - | - |
| Current year receipts | | 33,383 | 9,553 | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | 34,846 | 23,310 | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 3,117 | 9,834 | - | - | - | - | - | - | - |
| Current year receipts | | 9,000 | 5,500 | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | 12,117 | 15,334 | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | - | - | - | - | - | - | - | - | - |
| Current year receipts | | - | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | - | - | - | - | - | - | - | - | - |
| Current year receipts | | - | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total capital transfers and grants revenue | | 46,963 | 38,644 | - | - | - | - | - | - | - |
| Total capital transfers and grants - CTBM | 2 | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 76,331 | 73,820 | 38,631 | 43,019 | 46,682 | 46,682 | 35,473 | 38,801 | 42,681 |
| TOTAL TRANSFERS AND GRANTS - CTBM | | - | - | - | - | - | - | - | - | - |

2.8 Councillor and employee benefits

Table 43 MBRR SA22 - Summary of councillor and staff benefits

| Summary of Employee and Councillor remuneration R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| | 1 | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 4,067 | 4,198 | | | | | 5,836 | 6,186 | 6,557 |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | | | | | | |
| Cellphone Allowance | | | | | | | | | | |
| Housing Allowances | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | |
| Sub Total - Councillors | | 4,067 | 4,198 | - | - | - | - | 5,836 | 6,186 | 6,557 |
| % increase | 4 | | 3.2% | (100.0%) | - | - | - | - | 6.0% | 6.0% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 8,239 | 7,106 | | | | | 6,054 | 6,441 | 6,853 |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | |
| Motor Vehicle Allowance | 3 | | | | | | | | | |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | | | |
| Other benefits and allowances | 3 | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| Sub Total - Senior Managers of Municipality | | 8,239 | 7,106 | - | - | - | - | 6,054 | 6,441 | 6,853 |
| % increase | 4 | | (13.8%) | (100.0%) | - | - | - | - | 6.4% | 6.4% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 39,051 | 42,961 | | | | | 45,501 | 48,413 | 51,511 |
| Pension and UIF Contributions | | 8,343 | 8,438 | | | | | 9,518 | 10,127 | 10,776 |
| Medical Aid Contributions | | - | 825 | | | | | 3,886 | 4,134 | 4,399 |
| Overtime | | 804 | 3,551 | | | | | 3,370 | 3,586 | 3,816 |
| Performance Bonus | | - | 3,892 | | | | | - | - | - |
| Motor Vehicle Allowance | 3 | 236 | 818 | | | | | 539 | 574 | 611 |
| Cellphone Allowance | 3 | 4,613 | 59 | | | | | 61 | 65 | 70 |
| Housing Allowances | 3 | - | 205 | | | | | 294 | 313 | 333 |
| Other benefits and allowances | 3 | 3,824 | 76 | | | | | 3,593 | 3,823 | 4,068 |
| Payments in lieu of leave | | | | | | | | 4,601 | 4,895 | 5,209 |
| Long service awards | | | | | | | | 998 | 1,062 | 1,130 |
| Post-retirement benefit obligations | 6 | | | | | | | 395 | 420 | 447 |
| Sub Total - Other Municipal Staff | | 56,871 | 60,824 | - | - | - | - | 72,757 | 77,414 | 82,368 |
| % increase | 4 | | 7.0% | (100.0%) | - | - | - | - | 6.4% | 6.4% |
| Total Parent Municipality | | 69,177 | 72,127 | - | - | - | - | 84,646 | 90,040 | 95,778 |
| | | | 4.3% | (100.0%) | - | - | - | - | 6.4% | 6.4% |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 69,177 | 72,127 | - | - | - | - | 84,646 | 90,040 | 95,778 |
| % increase | 4 | | 4.3% | (100.0%) | - | - | - | - | 6.4% | 6.4% |
| TOTAL MANAGERS AND STAFF | 5,7 | 65,109 | 67,930 | - | - | - | - | 78,811 | 83,854 | 89,221 |

Table 44 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

| Disclosure of Salaries, Allowances & Benefits 1. | Ref | No. | Salary | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|--|------|-----|------------|---------------|------------|------------------------|---------------------|---------------|
| Rand per annum | | | | 1. | | | | 2. |
| Councillors | 3 | | | | | | | |
| Speaker | 4 | | 316,540 | | | | | 316,540 |
| Chief Whip | | | – | | | | | – |
| Executive Mayor | | | 702,019 | | | | | 702,019 |
| Deputy Executive Mayor | | | 316,540 | | | | | 316,540 |
| Executive Committee | | | 297,811 | | | | | 297,811 |
| Total for all other councillors | | | 4,202,662 | | | | | 4,202,662 |
| Total Councillors | 8 | – | 5,835,572 | – | – | | | 5,835,572 |
| Senior Managers of the Municipality | 5 | | | | | | | |
| Municipal Manager (MM) | | | 1,209,970 | | | | | 1,209,970 |
| Chief Finance Officer | | | 966,847 | | | | | 966,847 |
| | | | | | | | | – |
| | | | | | | | | – |
| | | | | | | | | – |
| <i>List of each official with packages >= senior manager</i> | | | | | | | | |
| General Manager Corporate Services | | | 966,847 | | | | | 966,847 |
| General Manager Planning & Development | | | 966,785 | | | | | 966,785 |
| General Manager Technical Services | | | 971,991 | | | | | 971,991 |
| | | | | | | | | – |
| Total Senior Managers of the Municipality | 8,10 | – | 6,053,523 | – | – | – | | 6,053,523 |
| | | | | | | | | |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | – | 11,889,096 | – | – | – | | 11,889,096 |

Table 45 MBRR SA24 – Summary of personnel numbers

| Summary of Personnel Numbers Number | Ref | 2009/10 | | | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-------|-----------|---------------------|--------------------|----------------------|---------------------|--------------------|---|---------------------|--------------------|
| | | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees |
| Municipal Council and Boards of Municipal Entities | | | | | | | | | | |
| Councillors (Political Office Bearers plus Other Councillors) | | | 21 | – | | 23 | | | 21 | |
| Board Members of municipal entities | 4 | | – | – | | | | | | |
| Municipal employees | 5 | | – | – | | | | | | |
| Municipal Manager and Senior Managers | 3 | | – | 9 | | | 6 | | | 6 |
| Other Managers | 7 | | – | 30 | | | 28 | | 22 | |
| Professionals | | – | – | – | – | 6 | – | – | 5 | – |
| <i>Finance</i> | | | 5 | | | 5 | | | 4 | |
| <i>Spatial/town planning</i> | | | 1 | | | 1 | | | 1 | |
| <i>Information Technology</i> | | | – | | | | | | | |
| <i>Roads</i> | | | – | | | | | | | |
| <i>Electricity</i> | | | – | | | | | | | |
| <i>Refuse</i> | | | – | | | | | | | |
| <i>Other</i> | | | 1 | | | – | | | | |
| Technicians | | – | 39 | – | – | 29 | – | – | 29 | – |
| <i>Finance</i> | | | | | | | | | | |
| <i>Spatial/town planning</i> | | | | | | | | | | |
| <i>Information Technology</i> | | | | | | | | | | |
| <i>Roads</i> | | | 39 | | | 29 | | | | |
| <i>Electricity</i> | | | | | | | | | 29 | |
| <i>Refuse</i> | | | | | | | | | | |
| <i>Other</i> | | | | | | | | | | |
| Clerks (Clerical and administrative) | | | 66 | | | 69 | | | 69 | |
| Service and sales workers | | | 7 | | | 7 | | | 7 | |
| Skilled agricultural and fishery workers | | | – | | | | | | | |
| Craft and related trades | | | 10 | | | 10 | | | 10 | |
| Plant and Machine Operators | | | 32 | | | 29 | | | 29 | |
| Elementary Occupations | | | 151 | | | 183 | | | 183 | |
| TOTAL PERSONNEL NUMBERS | 9 | – | 333 | 39 | – | 356 | 34 | – | 375 | 6 |
| % increase | | | | | – | 6.9% | (12.8%) | – | 5.3% | (82.4%) |
| Total municipal employees headcount | 6, 10 | | | | | | | | | |
| Finance personnel headcount | 8, 10 | | | | | | | | | |
| Human Resources personnel headcount | 8, 10 | | | | | | | | | |

2.9 Monthly targets for revenue, expenditure and cash flow

Table 46 MBRR SA25 - Budgeted monthly revenue and expenditure

| Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|----------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|-------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Revenue By Source | | | | | | | | | | | | | | | | |
| Property rates | | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 9,805 | 117,655 | 124,463 | 131,414 |
| Property rates - penalties & collection charges | | 301 | 301 | 301 | 301 | 301 | 301 | 301 | 301 | 301 | 301 | 301 | 301 | 3,607 | 3,791 | 3,977 |
| Service charges - electricity revenue | | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 5,440 | 65,275 | 70,570 | 77,395 |
| Service charges - refuse revenue | | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 7,940 | 7,379 | 7,456 |
| Rental of facilities and equipment | | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 1,052 | 1,106 | 1,160 |
| Interest earned - external investments | | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 352 | 370 | 389 |
| Interest earned - outstanding debtors | | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 1,065 | 1,119 | 1,174 |
| Fines | | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 12,242 | 12,867 | 13,497 |
| Licences and permits | | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 193 | 2,310 | 2,428 | 2,547 |
| Transfers recognised - operational | | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 45,252 | 46,920 | 51,354 |
| Other revenue | | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 7,460 | 14,507 | 16,011 | 17,135 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and grants) | | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 22,037 | 28,856 | 271,259 | 287,025 | 307,499 |
| Expenditure By Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 6,568 | 78,811 | 83,854 | 89,221 |
| Remuneration of councillors | | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 5,836 | 6,186 | 6,557 |
| Debt impairment | | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 528 | 554 | 582 |
| Depreciation & asset impairment | | 848 | 848 | 848 | 848 | 848 | 848 | 848 | 848 | 848 | 848 | 848 | 777 | 10,108 | 10,563 | 10,985 |
| Finance charges | | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 1,790 | 4,804 | 4,623 | 4,075 |
| Bulk purchases | | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 5,830 | 69,955 | 75,551 | 81,595 |
| Contracted services | | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 4,000 | 4,668 | 4,897 |
| Transfers and grants | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | 8,989 | (12,286) | 86,593 | 87,509 | 92,219 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 23,372 | 3,542 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) | | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | (1,335) | 25,314 | 10,624 | 13,516 | 17,367 |
| Transfers recognised - capital | | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 1,693 | 3,293 | 21,912 | 22,429 | 23,868 |
| Contributions recognised - capital | | - | - | - | - | - | - | - | - | - | - | - | (32,262) | (32,262) | (34,810) | (38,478) |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | (3,655) | 274 | 1,135 | 2,757 |
| Surplus/(Deficit) | 1 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | (3,655) | 274 | 1,135 | 2,757 |

Table 47 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

| Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|-------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Revenue by Vote | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 150,982 | 160,593 | 170,873 |
| Vote 2 - Budget and Treasury Office | | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 3,029 | 3,155 | 3,281 |
| Vote 3 - Corporate Services | | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 1,218 | 1,280 | 1,343 |
| Vote 4 - Planning and Development | | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 2,084 | 2,190 | 2,298 |
| Vote 5 - Community Services | | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 17,461 | 18,349 | 19,249 |
| Vote 6 - Technical Services | | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 | 22,685 | 21,847 | 23,283 |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 73,799 | 79,610 | 87,172 |
| Total Revenue by Vote | | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 271,259 | 287,025 | 307,499 |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 2,837 | 34,050 | 35,056 | 36,949 |
| Vote 2 - Budget and Treasury Office | | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 17,322 | 18,319 | 19,361 |
| Vote 3 - Corporate Services | | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 1,524 | 18,284 | 19,205 | 20,488 |
| Vote 4 - Planning and Development | | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 2,247 | 2,176 | 2,313 |
| Vote 5 - Community Services | | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 2,979 | 35,748 | 37,259 | 39,319 |
| Vote 6 - Technical Services | | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 4,557 | 54,688 | 56,973 | 59,731 |
| Vote 7 - Economic Development and Growth | | 594 | 594 | 594 | 594 | 594 | 594 | 594 | 594 | 594 | 594 | 594 | 594 | 7,123 | 7,381 | 7,831 |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 91,173 | 97,140 | 104,138 |
| Total Expenditure by Vote | | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) before assoc. | | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 10,624 | 13,516 | 17,367 |
| Taxation | | | | | | | | | | | | | | - | - | - |
| Attributable to minorities | | | | | | | | | | | | | | - | - | - |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) | 1 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 10,624 | 13,516 | 17,367 |

Table 48 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

| Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|---|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue - Standard | | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 12,933 | 155,196 | 164,993 | 175,461 |
| Executive and council | | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 12,582 | 150,982 | 160,593 | 170,873 |
| Budget and treasury office | | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 3,029 | 3,155 | 3,281 |
| Corporate services | | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 1,185 | 1,245 | 1,306 |
| <i>Community and public safety</i> | | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 17,550 | 18,443 | 19,347 |
| Community and social services | | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 2,992 | 3,143 | 3,298 |
| Sport and recreation | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 |
| Public safety | | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 | 14,553 | 15,295 | 16,044 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 7,176 | 5,389 | 5,604 |
| Planning and development | | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 2,084 | 2,190 | 2,298 |
| Road transport | | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 5,092 | 3,198 | 3,306 |
| <i>Trading services</i> | | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 | 91,337 | 98,200 | 107,087 |
| Electricity | | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 6,150 | 73,799 | 79,610 | 87,172 |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 17,537 | 18,590 | 19,915 |
| Total Revenue - Standard | | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 22,605 | 271,259 | 287,025 | 307,499 |
| Expenditure - Standard | | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 | 58,872 | 61,310 | 64,703 |
| Executive and council | | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 2,658 | 31,900 | 33,695 | 35,513 |
| Budget and treasury office | | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 1,444 | 17,322 | 18,319 | 19,361 |
| Corporate services | | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 9,649 | 9,297 | 9,829 |
| <i>Community and public safety</i> | | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 3,894 | 46,723 | 48,735 | 51,639 |
| Community and social services | | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 20,543 | 21,272 | 22,689 |
| Sport and recreation | | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 12,090 | 12,757 | 13,428 |
| Public safety | | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 12,842 | 13,436 | 14,196 |
| Housing | | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 1,248 | 1,270 | 1,326 |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 36,992 | 37,292 | 38,990 |
| Planning and development | | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 9,221 | 9,406 | 9,995 |
| Road transport | | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 27,771 | 27,886 | 28,994 |
| <i>Trading services</i> | | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 9,825 | 117,899 | 126,021 | 134,651 |
| Electricity | | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 7,598 | 91,173 | 97,140 | 104,138 |
| Waste water management | | 757 | 757 | 757 | 757 | 757 | 757 | 757 | 757 | 757 | 757 | 757 | 757 | 9,083 | 9,424 | 9,628 |
| Waste management | | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 1,470 | 17,643 | 19,457 | 20,884 |
| <i>Other</i> | | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 148 | 150 | 149 |
| Total Expenditure - Standard | | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 21,720 | 260,634 | 273,509 | 290,132 |
| Surplus/(Deficit) before assoc. | | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 10,624 | 13,516 | 17,367 |
| Surplus/(Deficit) | 1 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 885 | 10,624 | 13,516 | 17,367 |

Table 49 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

| Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|---------------------|--------|-------|---------|------|--------|---------|-------|-------|-------|-----|----------|---|------------------------|------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Multi-year expenditure to be appropriated | 1 | | | | | | | | | | | | | | | |
| Vote 1 - Executive and Council | | | | 300 | | | 500 | | | 500 | | | - | 1,300 | 400 | - |
| Vote 2 - Budget and Treasury Office | | | | | | | | | | | | | - | - | - | - |
| Vote 3 - Corporate Services | | | | | | | | | | | | | - | - | - | - |
| Vote 4 - Planning and Development | | | | | | | | | | | | | - | - | - | - |
| Vote 5 - Community Services | | | | | 1,500 | | | 2,360 | | | | | - | 3,860 | 400 | 500 |
| Vote 6 - Technical Services | | | 5,000 | | | | 8,000 | | | 6,000 | 6,202 | | - | 25,202 | 25,510 | 22,978 |
| Vote 7 - Economic Development and Growth | | | | | | | | | | | | | - | - | - | - |
| Vote 8 - Internal Audit | | | | | | | | | | | | | - | - | - | - |
| Vote 9 - Electricity | | | | | 500 | | | | 1,400 | | | | - | 1,900 | 8,500 | 15,000 |
| Capital multi-year expenditure sub-total | 2 | - | 5,000 | 300 | 2,000 | - | 8,500 | 2,360 | 1,400 | 6,500 | 6,202 | - | - | 32,262 | 34,810 | 38,478 |
| Single-year expenditure to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | 300 | | - | 500 | - | - | 500 | - | - | (1,300) | - | - | - |
| Vote 2 - Budget and Treasury Office | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Planning and Development | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | - | - | - | 2,000 | - | - | 1,860 | - | - | - | - | (3,860) | - | - | - |
| Vote 6 - Technical Services | | - | - | 8,000 | - | - | 8,000 | - | 7,000 | 2,202 | - | - | (25,202) | - | - | - |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | 1,900 | - | - | - | - | (1,900) | - | - | - |
| Vote 9 - Electricity | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | 2 | - | - | 8,300 | 2,000 | - | 8,500 | 3,760 | 7,000 | 2,702 | - | - | (32,262) | - | - | - |
| Total Capital Expenditure | 2 | - | 5,000 | 8,600 | 4,000 | - | 17,000 | 6,120 | 8,400 | 9,202 | 6,202 | - | (32,262) | 32,262 | 34,810 | 38,478 |

Table 50 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

| Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | 2013/14 medium term revenue & expenditure framework | | |
|---|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|--------|------|---|------------------------|------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital Expenditure - Standard | 1 | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | - | - | 300 | - | - | 500 | - | - | 500 | - | - | - | 1,300 | 400 | - |
| Executive and council | | | | 300 | | | 500 | | | 500 | | | | 1,300 | 400 | - |
| Budget and treasury office | | | | | | | | | | | | | | - | - | - |
| Corporate services | | | | | | | | | | | | | | - | - | - |
| <i>Community and public safety</i> | | - | - | - | 1,510 | - | 700 | 400 | 1,250 | - | - | - | - | 3,860 | 400 | 500 |
| Community and social services | | | | | 10 | | | 400 | | | | | | 410 | 400 | 500 |
| Sport and recreation | | | | | 1,500 | | | | 1,250 | | | | | 2,750 | - | - |
| Public safety | | | | | | | 700 | | | | | | | 700 | - | - |
| Housing | | | | | | | | | | | | | | - | - | - |
| Health | | | | | | | | | | | | | | - | - | - |
| <i>Economic and environmental services</i> | | - | - | 5,000 | - | - | - | 5,000 | - | - | - | 10,312 | - | 20,312 | 23,010 | 22,868 |
| Planning and development | | | | | | | | | | | | | | - | - | - |
| Road transport | | | | 5,000 | | | | 5,000 | | | | 10,312 | | 20,312 | 23,010 | 22,868 |
| Environmental protection | | | | | | | | | | | | | | - | - | - |
| <i>Trading services</i> | | - | - | - | - | 500 | - | - | 1,400 | - | - | - | - | 1,900 | 8,500 | 15,000 |
| Electricity | | | | | | 500 | | | 1,400 | | | | | 1,900 | 8,500 | 15,000 |
| Waste water management | | | | | | | | | | | | | | - | - | - |
| Waste management | | | | | | | | | | | | | | - | - | - |
| <i>Other</i> | | | | | | 2,500 | | | 2,390 | | | | | 4,890 | 2,500 | 110 |
| Total Capital Expenditure - Standard | 2 | - | - | 5,300 | 1,510 | 3,000 | 1,200 | 5,400 | 5,040 | 500 | - | 10,312 | - | 32,262 | 34,810 | 38,478 |

Table 51 MBRR SA30 - Budgeted monthly cash flow

| MONTHLY CASH FLOWS | Budget Year 2013/14 | | | | | | | | | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|-------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | | | | | |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | |
| Property rates | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 9,314 | 111,773 | 118,240 | 124,843 |
| Property rates - penalties & collection charges | 271 | 271 | 271 | 271 | 271 | 271 | 271 | 271 | 271 | 271 | 271 | 271 | 3,247 | 3,409 | 3,576 |
| Service charges - electricity revenue | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 4,896 | 58,747 | 60,216 | 63,167 |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 596 | 596 | 596 | 596 | 596 | 596 | 596 | 596 | 596 | 596 | 596 | 596 | 7,146 | 7,503 | 7,871 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 1,052 | 1,105 | 1,159 |
| Interest earned - external investments | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 352 | 370 | 388 |
| Interest earned - outstanding debtors | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 639 | 671 | 704 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | 918 | 918 | 918 | 918 | 918 | 918 | 918 | 918 | 918 | 918 | 918 | 918 | 11,018 | 11,569 | 12,136 |
| Licences and permits | 173 | 173 | 173 | 173 | 173 | 173 | 173 | 173 | 173 | 173 | 173 | 173 | 2,079 | 2,183 | 2,290 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer receipts - operational | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 3,771 | 45,252 | 47,515 | 49,843 |
| Other revenue | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 6,918 | 7,264 | 7,620 |
| Cash Receipts by Source | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 20,685 | 248,224 | 260,045 | 273,597 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfer receipts - capital | | | 9,300 | 2,000 | - | 8,000 | 3,760 | 7,000 | 2,202 | - | - | (10,350) | 21,912 | 21,429 | 22,868 |
| Total Cash Receipts by Source | 20,685 | 20,685 | 29,985 | 22,685 | 20,685 | 28,685 | 24,445 | 27,685 | 22,887 | 20,685 | 20,685 | 10,335 | 270,136 | 281,474 | 296,465 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 5,499 | 6,020 | 6,405 | 6,154 | 6,154 | 6,154 | 6,154 | 6,154 | 6,154 | 6,154 | 6,154 | 6,154 | 73,314 | 80,268 | 85,405 |
| Remuneration of councillors | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 5,836 | 6,186 | 6,557 |
| Finance charges | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 3,288 | 3,456 | 3,625 |
| Bulk purchases - Electricity | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 5,247 | 62,959 | 66,170 | 69,413 |
| Bulk purchases - Water & Sewer | | | | | | | | | | | | | - | - | - |
| Other materials | | | | | | | | | | | | | - | - | - |
| Contracted services | 542 | 542 | 542 | 542 | 542 | 542 | 542 | 542 | 542 | 542 | 542 | 542 | 6,500 | 6,832 | 7,166 |
| Transfers and grants - other municipalities | | | | | | | | | | | | | - | - | - |
| Transfers and grants - other | 203 | 203 | 203 | 203 | 203 | 203 | 203 | 203 | 203 | 203 | 203 | 203 | 2,440 | 2,562 | 2,688 |
| Other expenditure | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 7,388 | 88,658 | 93,179 | 97,745 |
| Cash Payments by Type | 19,639 | 20,160 | 20,545 | 20,295 | 20,295 | 20,295 | 20,295 | 20,295 | 20,295 | 20,295 | 20,295 | 20,294 | 242,995 | 258,653 | 272,599 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Total Cash Payments by Type | 19,639 | 20,160 | 29,845 | 22,295 | 20,295 | 28,295 | 24,055 | 27,295 | 22,497 | 20,295 | 20,295 | 9,944 | 264,907 | 280,082 | 295,467 |
| NET INCREASE/(DECREASE) IN CASH HELD | 1,047 | 525 | 140 | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 5,229 | 1,392 | 998 |
| Cash/cash equivalents at the month/year begin: | | 1,047 | 1,572 | 1,712 | 2,102 | 2,493 | 2,884 | 3,275 | 3,666 | 4,057 | 4,447 | 4,838 | - | 5,229 | 6,621 |
| Cash/cash equivalents at the month/year end: | 1,047 | 1,572 | 1,712 | 2,102 | 2,493 | 2,884 | 3,275 | 3,666 | 4,057 | 4,447 | 4,838 | 5,229 | 5,229 | 6,621 | 7,619 |

2.10 Annual budgets and SDBIPs – internal department

In terms of section 53(1)©(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. The draft SDBIP's are as follows:

| OFFICE OF THE MUNICIPAL MANAGER SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|---------------------------|---------|----------------|----------|--|----------|-------------------------------------|----------|--|--------|------|--------------|--------|---|--|--|--|
| IDP No. | Measurable | Performance | Quarter1 | | | | Quarter2 | | Quarter3 | | Quarter4 | | | | Implications | | Measures for improvement and deviations explained | | | |
| Strategic Objective | Output | Measure/Indicator | Demand | Baseline (2012/13 Actual) | Sacking | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | Ward | Vote | Budget | Actual Spent | Expected Portfolio of Evidence | | |
| Departmental Capacity Building | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM1 | Identify training needs of personnel to enhance career development and improve departmental capacity | Training needs schedule developed as per needs identified within the department and approved | Date of approval | | | 01/07/2013 | | 01/10/2013 | | | | 01/04/2014 | | | | | | Training Certificate/Confirmation by training agent | Training will depend on availability of funds for the | |
| IDP05/2013IA-CMM2 | Effective management of the department | Employees trained as per training needs identified within the department | % (employees) trained | | | 100% | | 100% | | 100% | | 100% | | | | | | Certificate/Confirmation by training agent | | |
| | | Monthly meetings with line managers and supervisors | Number of meetings | | | 3 | | 3 | | 3 | | 3 | | | | | | Attendance registers and minutes | | |
| IDP05/2013IA-CMM3 | | Timesheets updated daily and signed off accordingly every month | Number of timesheets | | | 3 | | 3 | | 3 | | 3 | | | | | | Memo/ correspondence sent off with time sheets | | |
| | | Monthly plans and achievements of the department consolidated and reported on the quarterly SDBIP | Number of reports submitted | | | 1 | | 1 | | 1 | | 1 | | | | | | Copies of SDBIPs | POE submitted to internal audit | |
| IDP05/2013ID-CMM4 | Ensuring departmental involvement in portfolio committees | Monthly management cluster meetings | Number of meetings | | | 3 | | 3 | | 3 | | 3 | | | | | | Minutes and attendance register | | |
| Council Resolutions | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM5 | Execution of council mandate through implementation of Council resolutions | All Council resolutions implemented accordingly | % resolutions implement per quarter | | | 100% | | 100% | | 100% | | 100% | | | | | | Council resolutions and schedule of actions implemented | | |
| Municipal Strategic Documents | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM6 | Preparing the department's annual report input before the draft annual report is submitted to relevant stakeholders | Departmental annual report inputs submission done as per target date | Date of submission | | | 02/06/2013 | | N/A | | February 2013 Further inputs if any | | N/A | | | N/A | N/A | N/A | List of inputs submitted and Correspondence accompanying submissions | inputs submitted are continuously checked to ensure alignment | |
| IDP05/2013IA-CMM7 | Providing the department's IDP inputs before the draft budget is submitted to ensure that the programmes and projects of the department are incorporated | IDP input provided in terms of the approved IDP/Budget process plan | Date of submission | | | N/A | | Departmental planning on the potential projects for the next financial year December | | 26/02/2014 | | Ensuring that all the departmental projects are correctly stated in the IDP before the | | | | | | List of inputs submitted and Correspondence accompanying submissions | | |
| IDP05/2013IE-CMM8 | Providing the department's SDBIP inputs before the draft budget is submitted to ensure that all the department's KPIs are catered for | SDBIP input submitted on time | Date of submission | | | N/A | | N/A | | N/A | | 30/05/2013 | | | | | | List of inputs submitted and correspondence regarding submission | | |
| IDP05/2013IE-CMM9 | Providing the department's budget inputs before the draft budget is submitted to council to ensure that the needs of the department are incorporated | Budget input provided in terms of the approved IDP/Budget plan | Date of inputs submission | | | N/A | | N/A | | 30/01/2013 | | N/A | | | | | | | the induction workshops went beyond just the hired and included those who were previously not inducted | |
| Research and Communication | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM15 | To provide effective communication and information technology | b. Reviewed and approved communication strategy | Date of approval | | | N/A | | N/A | | N/A | | N/A | | | | | | Approved communication strategy | This strategy was submitted to council. However it was not approved. | |
| | | c. Implementation of the programmes in the communication strategy | Number of programmes | | | 70% | | 70% | | 70% | | 70% | | | | | | This applies to the old communication strategy | | |
| Annual Report | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM10 | To develop and publish the Annual report for 2013/14 | a. Complete draft annual report tabled at council meeting by 31 January 2012 | Date of Council Meeting | | N/A | 23/01/2013 | N/A | NA | | 31-Jan-13 | | N/A | | | | | N/A | Council resolution | | |
| | | b. Draft annual report published within 14 days of tabling at council for public inputs | Time-frame | | N/A | within 14 days | N/A | N/A | | within 14 days | | N/A | | | | | N/A | Adverts | | |
| IDP05/2013IA-CMM11 | | Ensure the Oversight Report and Annual Report is adopted in terms of Section 129 of the MFMA by March 2013 for approval | Date of adoption | | N/A | 19/03/2013 | N/A | N/A | | Mar-13 | | N/A | | | | | N/A | council resolution and adverts | | |
| Internal Audit, Governance and Public Participation | | | | | | | | | | | | | | | | | | | | |
| Performance Management Systems | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM12 | Ensuring the overall performance of the municipality with the regular update of the actual performance results against targets set in the SDBIP | a. Reviewed PMS Strategy | Date of approval | | | N/A | | 01/09/2013 | | N/A | | N/A | | | | | | copy of the PMS framework | | |
| | | b. Quarterly SDBIPs and POEs for all the departments submitted to internal audit findings and recommendations addressed with the relevant departments for their comments and action plans | Number of SDBIPs submitted | | | 5 | | 5 | | 5 | | 5 | | | | | | projections based on the number of | the strategy was submitted to council. | |
| | | | % findings addressed in the period on 3 months | | | 100% | | 100% | | 100% | | 100% | | | | | | copies of action plans/ Comments by | This applies to the old communication strategy | |
| Internal Audit | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013IA-CMM13 | Liaison with the Audit Committee on | Audit Committee meetings conducted | Number of meetings | | | 1 | | 1 | | 1 | | 1 | | | | | | Minutes and | | |
| IDP05/2013IA-CMM14 | To develop a risk management strategy | Reviewed risk management strategy by December 2014 | Date approved | | | 01/09/2013 | | N/A | | N/A | | N/A | | | | | | | | |
| IDP05/2013IA-CMM15 | Update the risk profile of the municipality annually | Risk assessment conducted and complete before the end of quarter 1 | Date of completion | | | N/A | | 01/12/2013 | | N/A | | N/A | | | | | | | | |
| IDP05/2013IA-CMM16 | Arrange risk assessment workshops with all departments to monitor the implementation of internal audit reports to ensure that | One workshop per directorate before completion of RBAP | Number of workshops | | | 5 | | 5 | | 5 | | 5 | | | | | | | | |
| IDP05/2013IA-CMM17 | | Quarterly progress reports obtained from applicable sections | Number of reports | | | 1 | | 1 | | 1 | | 1 | | | | | | | | |
| IDP05/2013IA-CMM20 | performance results documented on the SDBIP system in terms of section 45 of the MFMA | Quarterly PMS audit reports submitted to relevant committees (including the audit committee) | Number of audit reports submitted | | | 1 | | 1 | | 1 | | 1 | | | | | | | | |
| IDP05/2013IA-CMM21 | Review the internal audit charter in terms of the international standard for | Internal Audit Charter submitted to the Audit Committee for adoption | Approved Charter | | | N/A | | 01/09/2013 | | N/A | | N/A | | | | | | | | |

| Public Participation | | | | | | | | | | | | | | | | | | | |
|------------------------------------|---|--|--|--|--|--|------|--|------|--|------|--|------|--|--|--|-----|--|--|
| IDP05/2013:D-OMM22 | Ensure effective public participation | Ward committee meetings per quarter | Number of ward committee meetings | | | | 12 | | 12 | | 12 | | 12 | | | | All | Minutes and attendance registers | |
| | | Mayoral Stakeholders forum | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | N/A | Minutes and attendance registers | |
| Provincial/ District Support | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:D-OMM23 | Ensure effective public participation | a. District Cluster forum (GTOC) | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | N/A | Correspondance (reminder of the meeting) | |
| | | b. OPMS forum (DTAC) | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | Minutes and attendance registers | |
| | | c. Provincial liason forum (public participation) | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | Minutes and attendance registers | |
| KPA: Community and Social Services | | | | | | | | | | | | | | | | | | | |
| Special Programmes | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:F-OMM24 | To facilitate alignment and integration of Special Programs | a. Youth Advisory centre visitors and outreach program | % of visitors assisted by the youth office | | | | 100% | | 100% | | 100% | | 100% | | | | | Visitors register reflectin | |
| | | | % of sustainable programs: | | | | 100% | | 100% | | 100% | | 100% | | | | | Plan of action listing | |
| | | b. Rights of a child programme engagement | Number of workshops/ meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | Registers, correspondance, photos | |
| | | c. Senior citizens programs | Number of programmes | | | | N/A | | N/A | | 1 | | 1 | | | | | Registers | |
| | | d. Disability programs | Number of programmes | | | | N/A | | N/A | | 1 | | N/A | | | | | Registers, | |

| Economic Development and Planning SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|--------|---------------------------|---------|------------|--------|---|--------|------------|--------|--|--------|------|------|------------------------|--------------|---|--|--|
| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Ward | Vote | Financial implications | | Expected Portfolio of Evidence | Planned measures for improvement and deviations explained | |
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | | | Budget | Actual Spent | | | |
| KPA: Municipal Transformation and Institutional Development | | | | | | | | | | | | | | | | | | | | | |
| Departmental Capacity Building | | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013A-EDP1 | Identify training needs of personnel to enhance career development and improve departmental capacity | Training needs schedule developed as per needs identified within the department Employees trained as per training needs identified within the department | Date of approval % (employees) trained | | | | 01/07/2013 | | 01/10/2013 | | 06/01/2014 | | 01/04/2014 | | | | | | | | |
| IDP05/2013A-EDP2 | Effective management of the department | Monthly meetings with line managers and supervisors Timesheets updated daily and signed off accordingly every month Monthly plans and achievements of the department consolidated and reported on the quarterly SDBIP | Number of meetings Number of timesheets Number of reports submitted | | | | 3 | | 3 | | 3 | | 3 | | N/A | N/A | N/A | N/A | | | |
| IDP05/2013D-EDP3 | To partake in portfolio committee engagements in order to report and seek direction to ensure effective operation of the department | Monthly management cluster meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | N/A | N/A | N/A | N/A | | | |
| Council Resolutions | | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013A-EDP5 | Execution of council mandate through implementation of Council | All Council resolutions implemented accordingly | % resolutions implement per quarter | | | | 100% | | 100% | | 100% | | 100% | | | | | | List of inputs submitted and Correspondance accompanying submissions | Inputs submitted are continuously checked to ensure alignment | |
| Municipal Strategic Documents | | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013A-EDP4 | Providing the department's annual report input before the draft annual report is submitted to relevant stakeholders | Departmental annual report inputs submission done as per target date | Date of submission | | | | 02/06/2013 | | N/A | | | | N/A | | N/A | N/A | N/A | N/A | List of inputs submitted and Correspondance accompanying submissions | | |
| | | | | | | | | | | | 3 | | | | | | | | | | |
| Economic Development and Planning SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | | | |
| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Ward | Vote | Financial implications | | Expected Portfolio of Evidence | Planned measures for improvement and deviations explained | |
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | | | Budget | Actual Spent | | | |
| IDP05/2013A-EDP5 | Providing the department's IDP inputs before the draft budget is submitted to ensure that the programmes and projects of the department are incorporated | IDP input provided in terms of the approved IDP/budget process plan | Date of submission | | | | N/A | | Departmental planning on the potential projects for the next financial year December 2013 | | - | | Ensuring that all the departmental projects are correctly stated in the IDP before the final draft 30 April 2014 | | | | | | | | |
| IDP05/2013E-EDP6 | Providing the department's SDBIP inputs before the draft budget is submitted to ensure that all the department's EPs are catered for | SDBIP input submitted | Date of submission | | | | N/A | | N/A | | - | | 30-May-13 | | | | | | | | |
| IDP05/2013E-CS2 | Providing of the department's budget inputs before the draft budget is submitted to council to ensure that the needs of the department are incorporated | Budget input provided timously in terms of approved IDP/budget plan | Date of inputs submission | | | | N/A | | N/A | | - | | N/A | | | | | | Appointment letter, signed code of conduct and induction w/shop register | The induction workshops went beyond just the hired and included those who were previously not inducted | |
| Integrated Development Plan (IDP) | | | | | | | | | | | | | | | | | | N/A | | | |
| IDP05/2013A-EDP7 | To effectively manage the integrated Development Planning processes | public participation Complete IDP process plan for 2013/14 IDP / budget process plan and submitted to relevant stakeholders | Number of meetings Date of council approval | | | | N/A | | N/A | | N/A | | 12 | | | | | | | | |
| | | | Date of council approval | | | | 31/05/2013 | | N/A | | N/A | | N/A | | | | | | | | |
| | | | Date of submission to stakeholders | | | | 31/05/2013 | | N/A | | N/A | | N/A | | | | | | | | |
| | | Draft IDP reviewed and submitted to Council | Date of council approval | | | | N/A | | N/A | | 01/03/2013 | | N/A | | | | | | | | |
| | | Final Copy of IDP submitted to Council for approval | Date of council approval | | | | N/A | | N/A | | N/A | | 01/05/2013 | | | | | | | | |
| | | Reviewed and updated sector plans as per IDP process plan | Date of development and review plans | | | | N/A | | N/A | | N/A | | 01/05/2013 | | | | | | | | |
| KPA: Good Governance and Public Participation | | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013D-EDP8 | Implementation of corrective measures as identified in internal audit reports that reduce risk areas | Proposed risk management corrective measures implemented quarterly | Date of completion | | | | 30/09/2013 | | 20/12/2013 | | N/A | | 30/06/2014 | | | | | N/A | Risk Register and progress on recommendations (with proof where possible) | | |
| IDP05/2013D-EDP9 | To ensure that audit queries received from AG and internal audit are addressed accordingly | Audit queries addressed and corrective measures implemented | % audit queries addressed to completion | | | | 100% | | 100% | | 100% | | 100% | | | | | | | | |

| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | Quarter2 | Quarter3 | Quarter4 | Ward | Vote | Financial implications | Expected Portfolio of Evidence | Planned measures for improvement and deviations explained |
|---|--|--|--|--------|---------------------------|---------|----------------|----------|----------------|----------|----------------|--------|------------------------|--------------------------------|--|
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Budget | Actual Spent | |
| KPA: Municipal Financial Viability and Management | | | | | | | | | | | | | | | |
| IDP06/2013:E-EDP10 | Compliance with all grant requirements as indicated in the transfer payment agreement | Monthly grant progress reports submitted to the relevant National or Provincial department | Number of reports submitted | | | | 3 | | 3 | | 3 | | | | |
| IDP05/2013:E-EDP11 | To ensure sound and authorised expenditure | All Departments expenditure authorised by Interim Finance Committee, except for statutory adverts (as they might need to be put out before IFC meets to approve) | Number of unauthorised | | | | 0 | | 0 | | 0 | | | | |
| IDP05/2013:E-EDP12 | Ensuring that all grant funding is spent during the financial year in accordance with the transfer payment agreement | All grant funding spent and exhausted by the end of financial year | percentage spent | | | | N/A | | N/A | | 100% | | | | List of grant funding received and updated budget figures reflecting expenditure |
| KPA: Infrastructure Development and Service Delivery | | | | | | | | | | | | | | | |
| Geographic Information Systems (DPSS) | | | | | | | | | | | | | | | |
| IDP05/2013:A-EDP13 | To implement effective, fully functional geographic system | GIS reports submitted to council monthly | Number of reports | | | | 3 | | 3 | | 3 | | | | Copy of report and council resolutions |
| | | Maps produced as per requirements | % maps produced | | | | 100% | | 100% | | 100% | | | | List of Maps produced |
| Town Planning (DPSS) and Land Use Management | | | | | | | | | | | | | | | |
| IDP05/2013:A-EDP14 | To effectively manage town planning compliance shared services function | Town planning certificates issues as per applications received | % Certificates issued | | | | 100% | | 100% | | 100% | | | | records of certificates issued |
| | | Land use applications evaluated | % Evaluated (against actual applications received) | | | | 100% | | 100% | | 100% | | | | List of Applications |
| IDP05/2013:A-EDP15 | Develop Land Use Management Scheme (LUMS) to incorporate recent policy amendments and ensure compliance with Provincial requirements | Developed and reviewed Land Use Management Scheme | Date of LUMS approval | | | | N/A | | N/A | | N/A | | | | Copy of LUMS and council resolution |
| IDP05/2013:A-EDP16 | building plans after all information required is | building plans approved timously | Number of building plan approved | | | | 80 | | 80 | | 80 | | | | Copies of approve building plans |
| IDP05/2013:A-EDP17 | Occupational certification finalised within 30 days after all building and land use requirements are met to | Occupational certification completed within 30 days of report received from the builder | Number of Days | | | | Within 30 days | | Within 30 days | | Within 30 days | | | | Copy of builder's adherence certificates and copies of issued certificates |
| Environmental Management | | | | | | | | | | | | | | | |
| IDP05/2014:A-EDP14 | To Develop and implement Effective Environmental | Complete environmental management plan | Date of approval | | | | N/A | | N/A | | N/A | | | | Complete environmental management plan and council |

| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Ward | Vote | Financial implications | | Expected Portfolio of Evidence | Planned measures for improvement and deviations explained |
|--|--|--|-------------------------------|--------|---------------------------|---------|------------|--------|------------|--------|------------|--------|------------|--------|------|------|------------------------|---------------------------------------|---|---|
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | | | Budget | Actual Spent | | |
| IDP05/2013:A-EDP15 | To conduct effective building control (inspections) | Onsite routine and general inspections conducted to ensure compliance with National Building Regulations (NBR) | Number of properties | | | | 80 | | 80 | | 80 | | 80 | | | | | | List of inspected buildings and inspection certificates | |
| | | Illegal building activities investigated and contravention notices issued with quarterly reports submitted on this | Date of report submission | | | | 01/09/2013 | | 01/12/2013 | | 01/03/2014 | | 01/06/2014 | | | | | Copy of report and council resolution | | |
| KPA: Community and Social Services | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-EDP16 | To ensure integrated development planning | Ward based development plans completed and included in IDP by 31 March 2013 | Date of completion | | | | N/A | | N/A | | 01/03/2014 | | N/A | | | | | | Copies of complete ward based plans | |
| IDP05/2013:A-EDP17 | | Records of meetings of the IDP Forum to review the IDP before Council approval | Number of meetings | | | | N/A | | N/A | | 1 | | N/A | | | | | | Minutes of the meeting | |
| National KPA: Local Economic Development | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:E-EDP18 | To annually review the LED strategy to cater for the changing municipal environment and to drive economic growth | To prepare and submit revised LED strategy for approval by November | Date of Approval | | | | N/A | | 01/12/2012 | | N/A | | N/A | | | | | | Reviewed strategy and council resolution | |

| | | | | | | | | | | | | | | | | | | |
|--------------------|--|---|---|--|--|--|------------|--|------------|--|------|--|------|--|--|--|--|---|
| IDP05/2013:C-EDP19 | To facilitate the implementation of initiatives / projects in terms of the LED strategy to enhance economic growth | Jobs created through LED and Capital projects | Number of jobs | | | | 30 | | 12 | | 12 | | 12 | | | | | Official list of people employed in the reported period |
| IDP05/2013:C-EDP20 | To facilitate SMME development in order to enhance economic growth | Training sessions provided for SMMEs | Number of SMMEs trained | | | | 1 | | 1 | | 1 | | 1 | | | | | Training register and certificates (if issued) |
| | | Business Registration | Number registered | | | | 2 | | 2 | | 2 | | 2 | | | | | registration certificates |
| | | Business licencing | Number of businesses licenced | | | | 4 | | 4 | | 4 | | 4 | | | | | Copies of business licences |
| IDP05/2013:D-EDP21 | Promulgation of Informal Trading bylaw | Informal Trading bylaw Gazetted at National level by the end of 2012/13 | Date of Approval | | | | N/A | | N/A | | N/A | | | | | | | Attendance registers |
| IDP05/2013:C-EDP22 | To capacitate the informal traders with Business skills | Workshops for informal traders | Number of workshops | | | | 1 | | N/A | | N/A | | N/A | | | | | |
| | | Informal trading stalls installed | Number of stalls installed | | | | N/A | | 10 | | | | | | | | | Hand over certificate and photos |
| | To facilitate tourism Enhancement within UMngeni Municipality | To ensure completion of Mpophomeni Tourism Gateway | Date of completion | | | | N/A | | 01/12/2013 | | N/A | | N/A | | | | | Attendance registers and minutes |
| | | Midlands Development Agency meetings | Number of Meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | Attendance registers and photographs |
| | | Nelson Mandela Capture Site Sculpture annual event | Date of event | | | | 01/08/2012 | | N/A | | N/A | | N/A | | | | | Complete incentive package and means of communication |
| | To create an enabling environment that facilitates local economic development | Investment promotion through completing and communicating Business Retention and Investment package | Date of completion | | | | N/A | | 01/12/2012 | | N/A | | N/A | | | | | Attendance registers and minutes |
| | To promote Agricultural Development for the sake of ensuring food security in the area | School Nutrition meetings | Number of Meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | Correspondance related to cultivation |
| | | Well maintained community gardens | %productive gardening groups (based on number of groups in the project) | | | | 100% | | 100% | | 100% | | 100% | | | | | Photos and report |

| COMMUNITY SERVICES SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|--------|---------------------------------|---------|------------|--------|--|--------|------------|--------|---|--------|------|------|---------------------------|-----------------|--|--|
| IDP No. | Strategic Objective | Measurable | Performance | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Ward | Vote | Financial implications | | Expected Portfolio of Evidence | Deviations explain and Planned measures for improvement |
| | | Output | Measure/Indicator | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | | | Budget | Actual Spent | | |
| KPA: Municipal Transformation and Development | | | | | | | | | | | | | | | | | | | | |
| Departmental Capacity Building | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Com1 | Identify training needs of personnel to enhance career development and improve departmental capacity | Training needs schedule developed as per needs identified within the department and approved by Employees trained as per training needs identified within the department | Date of approval % (employees) trained | | | | 01/07/2013 | | 01/10/2013 | | 06/01/2014 | | 01/04/2014 | | | | | | Training Certificate/ Confirmation by training agent | Training will depend on availability of funds for the WPSP. |
| | | | | | | | 100% | | 100% | | 100% | | 100% | | | | | | Copy of quarterly SDBIP | Portfolio Of Evidence (included) |
| IDP05/2013:A-Com2 | Effective management of the department | Monthly meetings with line managers and supervisors | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | | | | | Attendance registers and minutes | |
| | | Timesheets updated daily and signed off accordingly every month | Number of timesheets | | | | 3 | | 3 | | | | 3 | | N/A | | | | | |
| IDP05/2013:A-Com3 | | Monthly plans and achievements of the department consolidated and reported on the quarterly SDBIP | Number of reports submitted | | | | 1 | | 1 | | | | 1 | | | | | | Corporate services council resolutions and schedule of actions implemented | |
| IDP05/2013:D-Com4 | Partaking in portfolio committee engagements in order to report and seek direction to ensure effective operation of the department | Monthly management cluster meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | N/A | | | | | |
| Council Resolutions | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Com5 | Execution of council mandate through Implementation of Council resolutions | All Council resolutions implemented accordingly | % resolutions implement per quarter | | | | 100% | | 100% | | 3 | | 100% | | | | | | List of inputs submitted and Correspondance accompanying submissions | inputs submitted are continuously checked to ensure alignment |
| Municipal Strategic Documents | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Com6 | Providing the department's annual report input before the draft annual report is submitted to relevant stakeholders | Departmental annual report inputs submission done as per target date | Date of submission | | | | 02/06/2013 | | N/A | | | | N/A | | N/A | | | | List of inputs submitted and Correspondance | |
| | | | | | | | | | | | 3 | | | | | | | | List of inputs submitted regarding submission | |
| IDP05/2013:A-Com7 | Providing the department's IDP inputs before the draft budget is submitted to ensure that the programmes and projects of the department are catered for | IDP input provided in terms of the approved IDP/Budget process plan | Date of submission | | | | N/A | | Departmental planning on the potential projects for the next | | - | | Ensuring that all the departmental projects are correctly | | | | | | | |
| IDP05/2013:E-Com8 | Providing the department's SDBIP Inputs before the draft budget is submitted to ensure that all the department's KPI's are catered for | SDBIP input submitted on time | Date of submission | | | | N/A | | N/A | | - | | 30-May-13 | | | | | | Minutes and attendance register | |
| IDP05/2013:E-Com9 | Providing of the department's budget inputs before the draft budget is submitted to council to ensure that the needs of the department are incorporated | Budget input provided in terms of approved IDP/Budget plan | Date of inputs submission | | | | N/A | | N/A | | - | | N/A | | N/A | | | | Appointment letter, signed code of conduct and induction w/shop register | The induction workshops went beyond just the hired and included those who were previously not inducted |

| KPA: Infrastructure Development and Service Delivery | | | | | | | | | | | | | | | | | | | |
|--|---|---|-------------------------------|--|--|---|-------|---|-------|---|-------|---|-------|---|--|--|---|----------------------------|-----------------|
| IDP05/2013:D-com10 | Arts and culture forums quarterly engagements | Culture forums' reports produced quarterly after every meeting/ event | Number of Meetings/events | | | | 1 | | 1 | | 1 | | 1 | | | | Minutes and attendance registers | | |
| IDP05/2013:D-com11 | Implementation of Indigent Policy | Reviewed indigent register | Date of approval | | | | N/A | | N/A | | | | | | | | Reviewed plan and council resolution | | |
| | To address social issues raised by the farming community | Farming community meetings | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | Attendance registers and minutes | | |
| IDP05/2013:D-com12 | Manage Health and HIV/AIDS Programme | Number of HIV/AIDS Forum Meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | | | Attendance registers and minutes | | |
| | | Support Group Meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | | | Attendance registers and minutes | | |
| | | Meetings of Man In Partnership | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | Attendance registers and minutes | | |
| | | Sukuma Sakhe Meetings | Number of meetings | | | | 5 | | 5 | | 5 | | 5 | | | | Attendance registers and minutes | | |
| | | Local Aids Council Meetings | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | Attendance registers and minutes | | |
| IDP05/2013:F-com13 | To manage libraries and facilitate literacy programmes | Outreach programmes carried out per quarter (within all four libraries) | Number of Outreach Programmes | | | | 6 | | 6 | | | | | | | | Registers, photos and correspondence | | |
| | | Quarterly reporting on the 4 libraries and their statistics | | | | | | | | | | | | | | | | | |
| | | Membership Number | | | | | | | | | | | | | | | | | |
| | | Mpophomeni Library | | | | | 30 | | 30 | | 30 | | 30 | | | | | Monthly library statistics | |
| | | Howick West Library | | | | | 15 | | 15 | | 15 | | 15 | | | | | | |
| | | Howick Library | | | | | 60 | | 60 | | 30 | | 30 | | | | | | |
| | | Hilton Library | | | | | 45 | | 45 | | 45 | | 45 | | | | | | |
| | | Circulation Number | | | | | | | | | | | | | | | | | |
| | | Mpophomeni Library | | | | | 750 | | 750 | | 750 | | 750 | | | | | Monthly library statistics | |
| | | Howick West Library | | | | | 4687 | | 4687 | | 4687 | | 4687 | | | | | | |
| | | Howick Library | | | | | 30000 | | 30000 | | 30000 | | 30000 | | | | | | |
| | | Hilton Library | | | | | 27000 | | 27000 | | 27000 | | 27000 | | | | | | |
| | | | Library exchange | | | | | 4 | | 4 | | 4 | | 4 | | | | | Library Reports |
| | Provincial and uMngeni staff Development Activities (within all four libraries) | Number of activities | | | | 4 | | 4 | | 4 | | 4 | | | | | Attendance register, correspondence on the training | | |

| | | | | | | | | | | | | | | | | | | | | |
|--------------------|---|--|---|--|--|--|------|--|------|--|--------|--|------|--|--|--|--|--|---|--|
| IDP05/2013:F-Com14 | To ensure effective law enforcement within uMngeni Municipality including managing Learners' Licences and Motor Licensing | Atleast 4 roadblocks executed per annum (joint operation with other departments) | Number of roadblocks | | | | 1 | | 1 | | 1 | | 1 | | | | | | Proof | |
| | | Report quarterly on the number of roadblocks conducted, VCP's limited to roadworthy and driver fitness | Number of quarterly reports submitted | | | | 1 | | 1 | | 1 | | 1 | | | | | | Quarterly report | |
| | | Management of camera contract through quarterly meetings held with service providers to ensure service | Number of meeting with SP's Number of monthly inspections performed | | | | 1 | | 1 | | 1 | | 1 | | | | | | Attendance register and minutes | |
| | | Report on the status of the collection of outstanding fines by the 5th of every month | Number of monthly reports | | | | 3 | | 3 | | 3 | | 3 | | | | | | Reports | |
| IDP05/2012:F9/P46 | | Monthly reports on learners' licences | Number of reports | | | | 3 | | 3 | | 3 | | 3 | | | | | | Reports | |
| | | Prepare reports for payment of agency fees within two days | Number of reports | | | | 3 | | 3 | | 3 | | 3 | | | | | | Reports | |
| | | Organised monthly law enforcement operations | Number of operations | | | | 3 | | 3 | | 3 | | 3 | | | | | | Reports | |
| | | | | | | | | | | | | | | | | | | | | |
| IDP05/2012:F9/P46 | To contribute towards a safe and secure environment and effective Disaster Management | Attend all community police forum / and or | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | | attendance registers and minutes | |
| | | Attendance of the disaster management forum meetings | Number of meetings | | | | 1 | | 1 | | 1 | | 1 | | | | | | attendance registers and minutes | |
| | | Disaster Management Plan Review | Date of review | | | | N/A | | N/A | | Mar-13 | | N/A | | | | | | Copy of Disaster Management Plan and council resolution | |
| | | All disaster call-outs attended | % of call outs attended to | | | | 100% | | 100% | | 100% | | 100% | | | | | | Records of call outs (reports and attendance/ | |
| IDP05/2012:F6/P45 | To facilitate the provision of formal housing | Housing consumer education programme workshops | Number of workshops | | | | N/A | | 1 | | | | | | | | | | Attendance registers | |
| | | Active Housing Development committees | Number of meetings | | | | 6 | | 6 | | 6 | | 6 | | | | | | Attendance registers | |
| | | Communicate progress pertaining to the | Number of meetings | | | | 2 | | 3 | | 2 | | 3 | | | | | | Attendance registers and minutes | |
| | | Transfer of title deeds to new home owners | Number transferred | | | | 300 | | 320 | | 380 | | 1000 | | | | | | Copy of Deed certificates | |
| IDP05/2012:F6/P45 | | No. of top structures completed | Number of top structures provided by | | | | 40 | | 40 | | 40 | | 40 | | | | | | Completion certificate/ letter | |

| KPA: Local Economic Development | | | | | | | | | | | | | | | | | |
|---------------------------------|--|--|-----------------------------|--|--|--|------|--|------|--|------|--|------|--|--|--|---|
| IDP05/2012:F4/P45 | To manage the museum through Collecting, conserving, research assistance, communicating and exhibiting the tangible and intangible evidence of people and their environment, for the purpose of public study, education and enjoyment. | Museum Visitors / Education groups per quarter | Number of Visitors | | | | 1500 | | 1500 | | 1500 | | 1500 | | | | registers and booking list |
| | | | Number of schools | | | | 3 | | 3 | | 3 | | 3 | | | | registers and booking list |
| | | Outreach contacts/ Events per Quarter | Number of events/Contacts | | | | 12 | | 12 | | 12 | | 12 | | | | Pictures and report on events and or contact lists |
| | | Museum Education Programmes developed | Number of programmes | | | | 1 | | 1 | | 1 | | 1 | | | | Registers and pictures, Theme, Grade, references, |
| | | To ensure regular fumigation of the museum (atleast once | Number of fumigations done | | | | 1 | | 1 | | 1 | | 1 | | | | Invoice and correspondan |
| IDP05/2012:F3/P45 | | Conservation Cleaning and Library (Cycles) conducted regularly | Number of cleaning cycles | | | | 12 | | 12 | | 12 | | 12 | | | | Conservation plan and summary of activities |
| | | | Number of library cycles | | | | N/A | | 3 | | 1 | | 1 | | | | done/ objects conserved and noted |
| IDP05/2012:F3/P45 | | Compliance with legislation through ensuring effective existence of the Howick Museum Advisory Committee as well as proper | Number of meetings | | | | N/A | | 1 | | 1 | | 1 | | | | Minutes |
| | | | Trust fund projects | | | | N/A | | 1 | | N/A | | 1 | | | | Photos and correspondence |
| | | Exhibitions Developed to facilitate learning | Number of Exhibitions | | | | 1 | | 1 | | 1 | | 1 | | | | Pictures and correspondence |
| | | displayed in the museum (through generating digital | Number of documents (files) | | | | 500 | | 500 | | 500 | | 500 | | | | Log sheets of all documented objects |
| | | Implementation proper information and records management system | Percentage implemented | | | | 50% | | 50% | | 50% | | 50% | | | | List of records to be filed and logged on to the system vs a list of all filed and logged on to the |
| | | Keeping track of all objects within the holdings of the museum through stocktaking | Number of stocktakings done | | | | 3 | | 3 | | 3 | | 3 | | | | Stock inventory list |
| | | Quarterly reports on museum activities submitted | Number of reports | | | | 1 | | 1 | | 1 | | 1 | | | | Copies of Reports |
| | | | | | | | | | | | | | | | | | |

| FINANCE DEPARTMENT SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | |
|--|--|---|-------------------------------------|--------|---------------------------|---------|------------|--------|------------|--------|-----------|--------|------------|--------|------|-----------|-----------------|---|--|
| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Vote | Financial | | Expected Portfolio of Evidence | |
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | | Budget | Actual Spent | | |
| KPA: Municipal Transformation and Organisational Development | | | | | | | | | | | | | | | | | | | |
| Departmental Capacity Building | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Fin1 | Identify training needs of personnel to enhance career development and improve departmental capacity | Training needs schedule developed as per needs identified within the department and approved by MANCO | Date of approval | | | | 01/07/2013 | | 01/10/2013 | | | | 01/04/2014 | | | | | Training Certificate/ Confirmation by training agent | |
| | | Employees trained as per training needs identified within the department | % (employees) trained | | | | 100% | | 100% | | | | 100% | | | | | Training Certificate/ Confirmation by training agent | |
| IDP05/2013:A-Fin2 | Effective management of the department | Monthly meetings with line managers and supervisors | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | | | | Attendance registers and minutes | |
| | | Timesheets updated daily and signed off accordingly every month | Number of timesheets | | | | 3 | | 3 | | 3 | | 3 | | | | | Copies of timesheets | |
| IDP05/2013:A-Fin3 | | Monthly plans and achievements of the department consolidated and reported on the quarterly SDBIP | Number of reports submitted | | | | 1 | | 1 | | 1 | | 1 | | | | | Copies of reports | |
| IDP05/2013:D-Fin4 | Partaking in portfolio committee engagements in order to report and seek direction to ensure effective operation of the department | Monthly management cluster meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | | | | Minutes and attendance register | |
| Council Resolutions | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Fin5 | Execution of council mandate through Implementation of Council resolutions | All Council resolutions implemented accordingly | % resolutions implement per quarter | | | | 100% | | 100% | | 100% | | 100% | | | | | List of resolutions and actions taken | |

| Municipal Strategic Documents | | | | | | | | | | | | | | | |
|-------------------------------|--|--|---------------------------|--|--|--|------------|---|--|--|--|--|--|--|---|
| IDP05/2013:A-Fin6 | Providing the department's annual report input before the draft annual report is submitted to relevant stakeholders | Departmental annual report inputs submission done as per target date | Date of submission | | | | 02/08/2013 | N/A | | February 2013 Further inputs if any | | N/A | | List of inputs submitted and Correspondance accompanying submissions | inputs submitted are continuously checked to ensure alignment |
| IDP05/2013:A-Fin7 | Providing the department's IDP inputs before the draft budget is submitted to ensure that the programmes and projects of the department are incorporated | IDP input provided in terms of the approved IDP/Budget process plan | Date of submission | | | | N/A | Departmental planning on the potential projects for the next financial year December 2013 | | 28/02/2014 | | Ensuring that all the departmental projects are correctly stated in the IDP before the final draft 30 April 2014 | | List of inputs submitted and correspondance regarding submission | inputs submitted are continuously checked to ensure alignment |
| IDP05/2013:E-Fin8 | Providing the department's SDBIP Inputs before the draft budget is submitted to ensure that all the department's KPI's | SDBIP input submitted on time | Date of submission | | | | N/A | N/A | | N/A | | 30-May-13 | | List of inputs submitted and Correspondance accompanying submissions | inputs submitted are continuously checked to ensure alignment |
| IDP05/2013:E-Fin9 | Providing of the department's budget inputs before the draft budget is submitted to council to ensure that the needs of the department are incorporated | Budget input provided timously in terms of approved IDP/Budget plan | Date of inputs submission | | | | N/A | N/A | | 30-Jan-13 | | N/A | | List of inputs submitted and Correspondance accompanying submissions | inputs submitted are continuously checked to ensure alignment |

| KPA: Good Governance and public participation | | | | | | | | | | | | | | | | | |
|---|---|---|-----------------------------|--|--|--|----------------|----------------|----------------|----------------|----------------|--|----------------|--|--|--|---|
| IDP05/2013:D-Fin10 | Answering of all audit queries received external audit process | Audit queries addressed and corrective measures put in place within 30 days | Number of Days | | | | Within 30 days | | Within 30 days | | Within 30 days | | Within 30 days | | | | List of audit queries, response plan and resolved queries |
| IDP05/2013:D-Fin11 | Implementation of corrective measures as identified in internal audit reports that reduce risk areas | Implemented corrective measures as per Internal Audit recommendations | percentage implemented | | | | 100% | | 100% | | 100% | | 100% | | | | List of agreed on corrective measures (as per audit findings) |
| IDP05/2013:D-Fin12 | Address the root causes of issues raised by the AG in the previous year's AG management letter addressed to enhance a clean audit | Corrective addressed monthly report | Number of reports | | | | 3 | | 3 | | 3 | | 3 | | | | AG Dashboard and action plans |
| IDP05/2013:D-Fin13 | Managing of risks identified for the Department and implement corrective measures to reduce risk areas and protect the municipality from legal action | Quarterly risk management reports submitted to internal audit | Number of reports submitted | | | | 1 | | 1 | | 1 | | 1 | | | | Copies of reports |
| KPA: Community and Social Services | | | | | | | | | | | | | | | | | |
| IDP05/2013:F-Fin14 | Adherence to the plan / programme developed to address issues raised by ward pertaining to the department | Issues raised addressed effectively and on time | Time frame | | | | Within 10 Days | Within 10 Days | Within 10 Days | Within 10 Days | Within 10 Days | | Within 10 Days | | | | Copy of plan clearly indicating date of submission |

| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Vote | implications | | Expected Portfolio of Evidence |
|---|--|---|--------------------------------------|--------|---------------------------|---------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|------|--------------|--------------|--|
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | | Budget | Actual Spent | |
| | | | | | | | | | | | | | | | | | | |
| KPA: Municipal Financial Viability and Management | | | | | | | | | | | | | | | | | | |
| IDP05/2013:E-15 | To ensure sound and authorised expenditure of the department to enhance municipal financial viability and management | All Departments expenditure authorised by Interim Finance Committee, except for emergencies | Number of unauthorised expenditure | | | | 0 | | 0 | | 0 | | 0 | | | | | List of all departmental expenditure per quarter and interim finance committee resolutions |
| IDP05/2013:A-16 | Ensuring that all grant funding is spent during the financial year in accordance with the transfer payment agreement | All grant funding spent before the end of 2012/13 grant | percentage spent | | | | N/A | | N/A | | N/A | | 100% | | | | | Documentation (ie records of grant funding) |
| | Compliance with all grant requirements as indicated in the transfer payment agreement | progress reports submitted monthly | number of reports | | | | | | | | | | | | | | | |
| IDP05/2013:E-Fin17 | | | | | | | 3 | | 3 | | 3 | | 3 | | | | | |
| Budget and Mid-Year Report | | | | | | | | | | | | | | | | | | |
| IDP05/2013:E-Fin18 | Prepare the midyear budget and performance report of sec72 of the MFMA and submit to Council | Section 72 report submitted to Council by the 31st January 2014 | Date of submission | | | | N/A | | N/A | | Jan-13 | | N/A | | | | | Report and council resolution |

| | | | | | | | | | | | | | | | | |
|--------------------|---|---|--|--|--|--|--------|--|-----|--|--------|--------|--|--|--|---|
| IDP05/2013:E-Fin19 | Prepare and submit the annual adjustment budget to Council for approval | Adjustments budget submitted to Council by 28th February 2014 | Date of submission | | | | N/A | | N/A | | | Feb-13 | | | | Adjusted budget and council r |
| IDP05/2013:E-Fin20 | Prepare and submit the draft main budget to council for approval | Draft 2013/14 budget submitted to Council by 31st March 2012 | Date of submission | | | | N/A | | N/A | | Mar-13 | N/A | | | | Copy of draft 2013/14 budget and council resolution |
| IDP05/2013:E-Fin21 | Prepare and submit the final main budget to Council for approval draft minutes of Council meetings held | Final 2013/14 approved by council | Date of submission | | | | N/A | | N/A | | N/A | May-13 | | | | Copy of 2013/14 budget and council resolution |
| IDP05/2013:E-Fin22 | Ensure that all identified assets are registered in the asset register (GRAP) | Identified assets recorded on register | Date of assets verification and record | | | | Aug-12 | | N/A | | N/A | N/A | | | | Asset register |
| IDP05/2013:E-Fin23 | Annual review of the asset management policy in line with GRAP | Reviewed asset management policy | Date of approval | | | | Aug-12 | | N/A | | N/A | N/A | | | | Council resolution and reviewed Asset management policy |
| IDP05/2013:E-Fin24 | Annual record of write-offs in the asset register | Annual write-offs recorded by Aug | Date | | | | Aug-12 | | N/A | | N/A | N/A | | | | Records of write offs |
| IDP05/2013:E-Fin25 | Ensure adequate insurance coverage of all assets and review of insurance | Reviewed insurance portfolio June 2 | Date of review | | | | N/A | | N/A | | N/A | Jun-13 | | | | Copy of reviewed insurance pc |
| IDP05/2013:E-Fin26 | Report monthly to NT database on grants received I.t.o. DORA of the MFMA | monthly reports submitted | Number of reports | | | | 3 | | 3 | | 3 | 3 | | | | Copy of reports |
| IDP05/2013:E-Fin27 | Reconciliations on a monthly basis to ensure the balancing of the external loans register | balanced external loans register (reconciled monthly) | Number of reconciliations | | | | 3 | | 3 | | 3 | 3 | | | | Reconciliation spread sheet |

| | | | | | | | | | | | | | | | | | |
|--------------------------------|--|---|---------------------------|--|--|--|----------------|--|----------------|--|----------------|--|----------------|--|--|--|-----------------------------|
| IDP05/2013:E-Fin28 | Reconciliations on a monthly basis to ensure the balancing of the grants register | balanced grants register (reconciled) | Number of reconciliations | | | | 3 | | 3 | | 3 | | 3 | | | | Reconciliation spread sheet |
| IDP05/2013:E-Fin29 | Reconciliations on a monthly basis to ensure the balancing of the investment register | balanced investment register (reconciled monthly) | Number of reconciliations | | | | 3 | | 3 | | 3 | | 3 | | | | Reconciliation spread sheet |
| IDP05/2013:E-Fin30 | Timeous payment of salaries and wages on the due date monthly | timeous payment of salaries | Time frame | | | | within 30 days | | within 30 days | | within 30 days | | within 30 days | | | | Records |
| IDP05/2013:E-Fin31 | Timeous payment of third parties by the due date every month | timeous payment of third parties | Time frame | | | | within 30 days | | within 30 days | | within 30 days | | within 30 days | | | | Records |
| IDP05/2013:E-Fin32 | Timeous payment of creditors and service providers | payment within 30 days from date of invoice / statement | Time frame | | | | within 30 days | | within 30 days | | within 30 days | | within 30 days | | | | Records |
| Supply Chain Management | | | | | | | | | | | | | | | | | |
| IDP05/2013:E-Fin33 | Submit the applicable reports monthly to all applicable role-players on the implementation of the SCM policy and tenders awarded in terms of the MFMA (Municipal Manager, Council, NT, PT) | No. of reports submitted Quarterly | Number of reports | | | | 3 | | 3 | | 3 | | 3 | | | | reports |

| | | | | | | | | | | | | | | | | | |
|--------------------|--|--|--------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|---|
| IDP05/2013 E-Fin24 | To adhere to SCM policies and procedures | SCM delegations revised annually to ensure fast and effective tender processes | Date of revision | | | | | | | | | | | | | | Revised delegations |
| | | Adjudicate all tenders within 90 days after the closure of the tender to ensure fast and effective SCM processes and effective | Time frame | | | | | | | | | | | | | | Tender briefing, bidding and awarding documents |
| | | Report all deviations from normal tender processes to Council for condonement during the next council meeting after deviation was done | Number of reports | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | Submit annually the Municipal banking details to PT and AG in terms of s9(b) and 13(3)(a)(i) & (u) of the MFMA | Municipal banking details Submitted annually to Provincial Treasury and AG | Date of submission | | | | | | | | | | | | | | Correspondance to PT and AG |
| | Ensure proper income management with the reading of all meters on a monthly basis | All meters read and reported on monthly basis | Number of reports | | | | | | | | | | | | | | Meter Reading Report |
| | Approval of Monthly meter reading exception report for August and January | Meter reading exception reports signed | Number of reports | | | | | | | | | | | | | | Exception Reports |
| Total | | | | | | | | | | | | | | | | | |

| | Technical Services SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | |
|---|--|---|-----------------------------|--------|---------------------------------|---------|------------|-----------|------------|-----------|----------|-----------|------------|-----------|------|--------------|--------|--|--|-------|
| IDP No. | Strategic Objective | Measurable | Performance | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Vote | implications | | Expected Portfolio of Evidence | Deviations and planned measures for improvement | |
| | | Output | Measure/Indicator | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | | Actual | Budget | | | Spent |
| KPA: Municipal Transformation and Institutional Development (weight: 3) | | | | | | | | | | | | | | | | | | | | |
| Departmental Capacity Building | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Tech1 | Identify training needs of personnel to enhance career development and improve departmental capacity | Training needs schedule developed as per needs identified within the | Date of approval | | | | 01/07/2013 | | 01/10/2013 | | | | 01/04/2014 | | | | | Training Certificate/ Confirmation by training agent | Training will depend on availability of funds for the WPSP | |
| | | Employees trained as per training needs identified | % (employees) trained | | | | 100% | | 100% | | | | 100% | | | | | Attendance registers and minutes | Portfolio Of Evidence (included) | |
| IDP05/2013:A-Tech2 | Effective management of the department | Monthly meetings with line managers and supervisors | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | | | | | | |
| | | Timesheets updated daily and signed off | Number of timesheets | | | | 3 | | 3 | | 3 | | 3 | | | | | N/A | | |
| IDP05/2013:A-Tech3 | | Monthly plans and achievements of the department consolidated and reported on the | Number of reports submitted | | | | 1 | | 1 | | 1 | | 1 | | | | | | Corporate services council resolutions and schedule of actions | |

| | | | | | | | | | | | | | | | | | | |
|--------------------------------------|--|--|-------------------------------------|--|--|--|------------|--|------|--|--|--|------|--|-----|-----|-----|--|
| IDP05/2013:D-Tech4 | Partaking in portfolio committee engagements in order to report and seek direction to ensure effective operation of the department | Monthly management cluster meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 | | N/A | N/A | N/A | N/A |
| Council Resolutions | | | | | | | | | | | | | | | | | | |
| IDP05/2013:A-Tech5 | Execution of council mandate through Implementation of Council resolutions | All Council resolutions implemented accordingly | % resolutions implement per quarter | | | | 100% | | 100% | | 100% | | 100% | | | | | List of inputs submitted and Correspondance accompanying submissions |
| Municipal Strategic Documents | | | | | | | | | | | | | | | | | | N/A |
| IDP05/2013:A-Tech6 | Providing the department's annual report input before the draft annual report is submitted to relevant | Departmental annual report inputs submission done as per target date | Date of submission | | | | 02/08/2013 | | N/A | | Februa ry 2013 Further inputs if any | | N/A | | | | | N/A |

| | | | | | | | | | | | | | | | | | | |
|--------------------|--|---|---------------------------|--|--|--|--|-----|--|--|-------|-----|--|--|--|--|--|--|
| IDP05/2013:A-Tech7 | Providing the department's IDP inputs before the draft budget is submitted to ensure that the programmes and projects of the department are incorporated | IDP input provided interms of the approved IDP/Budget process plan | Date of submission | | | | | N/A | | Departmental planning on the portential projects for the next financial year December 2013 | ##### | | Ensuring that all the departmental projects are correctly stated in the IDP before the | | | | | |
| IDP05/2013:E-Tech8 | Providing the department's SDBIP Inputs before the draft budget is submitted to ensure that all the department's KPI's are | SDBIP input submi | Date of submission | | | | | N/A | | N/A | N/A | N/A | 30-May-13 | | | | | |
| IDP05/2013:E-Tech9 | Providing of the department's budget inputs before the draft budget is submitted to council to ensure that the needs of the | Budget input provided timously in terms of approved IDP/Budget plan | Date of inputs submission | | | | | N/A | | N/A | ##### | | N/A | | | | | Appointment letter, signed code of conduct and induction w/shop register |

KPA: Good Governance and Public Participation

| | | | | | | | | | | | | | | | | | | |
|----------------|--|--|------------------|--|--|--|----------------|----------------|----------------|----------------|--|--|--|--|--|--|---|-------------------------------|
| IDP05/2013:D-T | Answering of all audit queries received within thirty days to ensure an effective external audit process | Audit quenes addressed and corrective measures put in place within 30 | Number of Days | | | | Within 30 days | Within 30 days | Within 30 days | Within 30 days | | | | | | | List of audit queries, response plan and resolved queries | N/A |
| IDP05/2013:D-T | Ensuring compliance with the Health and Safety regulations to ensure the safety of personnel and to protect the municipality | Safety clothing provided to all technical services employees by March 2013 | Rand value spent | | | | N/A | N/A | N/A | N/A | | | | | | | Tender documents, quotes and invoices | The process is still with SCM |

| | Technical Services SDBIP 2013/14 | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------------------------|------------------|-----------|---------|----------------|--------|----------------|--------|----------------|--------|----------------|--------------|------|--------------|--|--|---|--|--|--|--|--|--|--|
| IDP No. | Strategic Objective | Measurable | Performance | Demand | Baseline | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 | | Vote | implications | | Expected Portfolio of Evidence | Deviations and planned measures for improvement | | | | | | | |
| | | Output | Measure/Indicator | (2011/12 Actual) | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | Budget | Actual Spent | | | | | | | | | | | | |
| KPA: Community and Social Services | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:D-T | Adherence to the plan / programme developed to address issues raised by ward pertaining to the | Issues raised addressed effectively and on time | Time frame | | | | Within 10 Days | | Within 10 Days | | Within 10 Days | | Within 10 Days | | | | | Copy of plan clearly indicating date of submission | Issues raised were dealt with there and the where possible and the plan was | | | | | | | |
| KPA: Municipal Financial Viability and Management | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IDP05/2013:E-T | motivations to external sources and funders to enhance municipal revenue | motivations submitted to external sources and funders | Number of proposals | | | | N/A | | 1 | | 1 | | 1 | | | | | funding proposals and responses from funders | | | | | | | | |
| IDP05/2013:E-T | All MIG grant funding is spent during the financial year in accordance with the | 100% MIG grant funding spent before the end of 2013/14 | Percentage spent quarterly | | | | N/A | | 60% | | 60% | | 60% | | | | | Budget updates | | | | | | | | |

| KPA: Infrastructure Development and Service Delivery | | | | | | | | | | | | | | | | | |
|--|--|---|------------------------------|--|--|----------------|--|----------------|--|----------------|--|----------------|--|--|--|---|---|
| | Effective management of the Departmental affairs | Liaison with line managers on a regular basis to ensure effective management of | Number of meetings | | | 3 | | 3 | | 3 | | 3 | | | | Attendance registers and minutes and line managers' reports | N/A |
| IDP05/2013:A-T | Attend all site meetings for projects to ensure that projects are completed according to specifications Prepare capital projects | All site meetings attended and progress reported at cluster meetings monthly | Number of Site meetings | | | 3 | | 3 | | 3 | | 3 | | | | | Cluster meeting minutes |
| | Consumers are informed of planned interruptions in supply at least 14 days in advance | Consumers informed of all interruptions | Number of reports | | | 3 | | 3 | | 3 | | 3 | | | | | reports |
| | | | Time frame | | | 14 days before | | 14 days before | | 14 days before | | 14 days before | | | | | Correspondence and notices with date of circulation |
| IDP05/2013:B-T | Ensure access to electricity by all residing within uMngeni Municipality in 2012/13 | More people with access to electricity : Farmworkers project | Number of new connections | | | 100 | | 100 | | 100 | | 100 | | | | | |
| | | | Prepaid Meters | | | N/A | | 951 | | 951 | | 951 | | | | | |
| IDP05/2013:B-T | To ensure that reported faulty electric meter are replaced immediately after the report is | 100% reported faulty | % replaced meters | | | 14 days before | | 14 days before | | 14 days before | | 14 days before | | | | correspondence with Service provider and finance | This is done by Eskom and the service provider once it is |
| KPA: Local Economic Development | | | | | | | | | | | | | | | | | |
| Capital Projects | | | | | | | | | | | | | | | | | |
| IDP05/2013:B-T | To submit progress reports on | Quarterly reports submitted to Public Works | Number of reports | | | 1 | | 1 | | 1 | | 1 | | | | Report and correspondence | |
| IDP05/2013:A-T | Register new projects for 2013/2014 as per IDP | Projects registered with COGTA by the end of March 2013 | Date of project registration | | | N/A | | N/A | | N/A | | N/A | | | | Correspondence with COGTA and list of new | |

CORPORATE SERVICES DBP 2013/14

| IDP No | Strategic Objective | Measurable | Performance | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 |
|--|---|--|-----------------------------|--------|---------------------------------|---------|----------|-----------|----------|-----------|----------|-----------|----------|
| | | Output | Measure/Indicator | | Projected | | Actual | Projected | Actual | Projected | Actual | Projected | |
| KPA Municipal Transformation and Institutional Development | | | | | | | | | | | | | |
| Information Technology | | | | | | | | | | | | | |
| IDP05/2013.A CS1 | To provide effective communication and information technology | Staff workshops on Information technology policies conducted | Number of workshops | | | | | | N/A | | N/A | | N/A |
| | | Back-up of all systems and databases on a monthly basis to ensure that municipal data is secured | Date of backup installation | | | | | | | | | N/A | |
| | | Annual upgrade of all PCs (including antivirus software) | % upgraded PCs | | | | | | | | | | |

Departmental Capacity Building

| | | | | | | | | | | | | | |
|----------------------------|---|---|-------------------------------------|--|--|--|------------|--|------|--|------|--|------|
| IDP05/2013:A-CS2 | Identify training needs of personnel to enhance career development and improve departmental capacity | Training needs schedule developed as per needs identified within the department and approved by MANCO | Date of approval | | | | 01/07/2013 | | #### | | | | #### |
| | | Employees trained as per training needs identified within the department | % (employees) trained | | | | 100% | | 100% | | | | 100% |
| IDP05/2013:A-CS3 | Effective management of the department | Monthly meetings with line managers and supervisors | Number of meetings | | | | 3 | | 3 | | 3 | | 3 |
| | | Timesheets updated daily and signed off accordingly every month | Number of timesheets | | | | 3 | | 3 | | 3 | | 3 |
| IDP05/2013:A-CS4 | | Monthly plans and achievements of the department consolidated and reported on the quarterly SDBIP | Number of reports submitted | | | | 1 | | 1 | | 1 | | 1 |
| IDP05/2013:D-CS1 | Partaking in portfolio committee engagements in order to report and seek direction to ensure effective operation of | Monthly management cluster meetings | Number of meetings | | | | 3 | | 3 | | 3 | | 3 |
| Council Resolutions | | | | | | | | | | | | | |
| IDP05/2013:A-CS5 | Execution of council mandate through Implementation of Council resolutions | All Council resolutions implemented accordingly | % resolutions implement per quarter | | | | 100% | | 100% | | 100% | | 100% |

| Municipal Strategic Documents | | | | | | | | | | | | | |
|-------------------------------|--|--|---------------------------|--|--|--|------------|--|--|------------|--|--|---|
| IDP05/2013:A-CS6 | Providing the department's annual report input before the draft annual report is submitted to relevant stakeholders | Departmental annual report inputs submission done as per target date | Date of submission | | | | 02/08/2013 | | N/A | | February 2013 Further inputs if any | | N/A |
| IDP05/2013:A-CS7 | Providing the department's IDP inputs before the draft budget is submitted to ensure that the programmes and projects of the department are incorporated | IDP input provided in terms of the approved IDP/Budget process plan | Date of submission | | | | N/A | | Departmental planning on the potential projects for the next financial | | #### | | Ensuring that all the departmental projects are correctly stated in the |
| IDP05/2013:E-CS1 | Providing the department's SDBIP Inputs before the draft budget is submitted to ensure that all the department's KPI's are catered for | SDBIP input submitted on time | Date of submission | | | | N/A | | N/A | N/A | N/A | | #### |
| IDP05/2013:E-CS2 | Providing of the department's budget inputs before the draft budget is submitted to council to ensure that the needs of the department are incorporated | Budget input provided timely in terms of approved IDP/Budget plan | Date of inputs submission | | | | N/A | | N/A | | #### | | N/A |

| Labour Relations & Employee Wellness | | | | | | | | | | | | | |
|--------------------------------------|---|--|---|--|--|--|------------------------|--|--------------------------|--|---------------------------|--|-------------|
| IDP05/2013: A-CS7 | To encourage good labour relations within the institution | Quartely Labour Forum Meetings | Number of meetings | | | | 1 | | 1 | | 1 | | 1 |
| IDP05/2013:A-CS8 | To ensure compliance to code of conduct by all municipal employees | Induction workshops conducted and codes of conduct signed by all newly appointed employees | % of new appointmentees inducted | | | | 100% | | 100% | | 100% | | 100% |
| IDP05/2013: A-CS9 | To contribute meaningfully to the wellness of employees | EAP Plan of action developed and approved by MANCO | Date of Approval | | | | N/A | | Inform ation gathe | | Inform ation Gather | | #### |
| | | Reports on EAP Programmes carried out monthly | Number of reports | | | | 3 | | 3 | | 3 | | 3 |
| Human Resource Management | | | | | | | | | | | | | |
| IDP05/2013:A-CS9 | Effective Human Resource Management | HR reports submitted to Management Cluster monthly | Number of reports | | | | 3 | | 3 | | 3 | | 3 |
| | | Payroll updated and input (incl time sheets) provided to Finance monthly | Date of submission | | | | The 10th of each month | | By the 10th of | | Tthe 10th of each | | The 10th of |
| Human Resource Development | | | | | | | | | | | | | |
| IDP05/2013:A-CS10 | To develop and improve skills level in the municipality through the implementation of the Work Place Skills Plan (WPSP) | Departmental inputs incorporated within the workplace skills plan for the municipality | % input from all the internal departments | | | | 100% | | 100% | | 100% | | 100% |
| | | | Date of plan approval by MANCO | | | | 31/08/2013 | | N/A | | N/A | | NA |
| | | Training institutions/ service providers and Government Departments identified as per workplace skills plan and an active database developed and reviewed quartely | Date of database developement and review | | | | 01/08/2013 | | #### | | #### | | #### |
| | | | % Service agreements (or MOUs) signed (where there is a need) | | | | 100% | | 100% | | 100% | | 100% |

| Employment Equity Plan | | | | | | | | | | | | | |
|------------------------|--|---|---|--|--|--|------------|--|------|--|--------|--|------|
| IDP05/2013:A-CS11 | To ensure that the recruitment process of the municipality is linked to the current organogram as well as the employment equity plan | Department's Input on critical posts to be advertised | %critical post influenced by the department's input | | | | 100% | | N/A | | Jan-13 | | N/A |
| | | Organogram revisited when necessary (when recruiting) and revised/ updated annually | Date of revision | | | | N/A | | N/A | | N/A | | N/A |
| | | Employment Equity report submitted to Department of Labour by the 1st October 2013 | Date of submission | | | | 30/09/2013 | | N/A | | N/A | | N/A |
| | | Employment Equity Forum Meetings | Number of Meetings | | | | 3 | | 3 | | 3 | | 3 |
| Buildings maintenance | | | | | | | | | | | | | |
| IDP05/2013:A-CS12 | To ensure cleanliness of all municipal buildings and facilities (incl. offices, halls and sportsfields) | Monthly short surveys done with people receiving the service and feedback discussed with the cleaners' supervisor | % Positive feedback received | | | | 100% | | 100% | | 100% | | 100% |
| | To ensure maintenance of all municipal buildings and facilities (incl. offices, halls and sportsfields) | Maintanance plan develop by handy man and implemented | Date of plan Approval by MANCO | | | | 30/06/2013 | Plan revisited Plan revisited plan revisited | | | | | |

| Council Administration | | | | | | | | | | | | | |
|------------------------------------|---|---|--------------------------------|--|--|--|---------------|--|---------------|---------------|---------------|---------------|-------|
| IDP05/2013:A-CS13 | To provide effective secretarial support services | Agenda's for the Executive Committee, Council and portfolio committees' meetings distributed within 3 working days prior to the meeting | Time-frame | | | | Within 3 Days | | Within 3 Days | Within 3 Days | Within 3 Days | Within 3 Days | |
| | | minutes of Council, executive, portfolio committees' meetings distributed within 2 days after the meeting | Time-frame | | | | Within 2 Days | | Within 2 Days | Within 2 Days | Within 2 Days | | |
| Registry | | | | | | | | | | | | | |
| IDP05/2013:A-CS14 | To ensure proper records management within the municipality | Documents safely recorded and filed accordingly at the internal registry archive | % recorded and filed documents | | | | 100% | | 100% | | 100% | | 100% |
| KPA: Community and Social Services | | | | | | | | | | | | | |
| IDP05/2013:A-CS15 | To facilitate community access to the public facilities and burial sites | Daily availability of the bookings | Frequency of bookings | | | | daily | | daily | | daily | | daily |
| KPA: Municipal Financial Viability | | | | | | | | | | | | | |
| IDP05/2013:A-CS16 | To facilitate income generation for the municipality through the municipal owned public facilities and burial sites | Payments received from public use of municipal property (from monthly bookings) | % payments received | | | | 100% | | 100% | | 100% | | 100% |

CORPORATE SERVICES SDBIP 2013/14

| IDP No. | Strategic Objective | Measurable Output | Performance Measure/Indicator | Demand | Baseline (2012/13 Actual) | Backlog | Quarter1 | | Quarter2 | | Quarter3 | | Quarter4 |
|---|--|--|----------------------------------|--------|---------------------------------|---------|------------|--------|-----------|--------|-----------|--------|-----------|
| | | | | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected |
| KPA: Good Governance and Public Participation | | | | | | | | | | | | | |
| IDP05/2013:D-CS2 | Implementation of corrective measures as identified in internal audit reports that reduce risk areas | Proposed risk management corrective measures implemented quarterly | Date of completion | | | | 30/09/2013 | | #### | | #### | | #### |
| IDP05/2013:A-CS17 | Ensuring compliance with the Health and Safety regulations to ensure the safety of personnel and to protect the municipality | Report on injury on duty cases and first aid equipment submitted to OHS cluster meeting | Number of quartely reports | | | | 1 | | 1 | | 1 | | 1 |
| | | Quartely Health and Safety Committee meetings | Number of meetings | | | | 1 | | 1 | | 1 | | 1 |
| Security Services | | | | | | | | | | | | | |
| IDP05/2013:A-CS18 | Management and monitoring of various service providers rendering security services at municipal buildings through quarterly meetings | Quartely meetings with service providers (to address issues of concern) | Number of meetings | | | | 1 | | 1 | | 1 | | 1 |
| Fleet Management | | | | | | | | | | | | | |
| IDP05/2013:A-CS19 | Effective fleet management review possible exceptions | Monthly report on log book maintainance, the vehicle maintainance and vehicle running cost | Number of reports | | | | 3 | | 3 | | 3 | | 3 |

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, the following contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Table 52 MBRR SA32 – List of external mechanisms

| External mechanism | Yrs/ Mths | Period of agreement 1. | Service provided | Expiry date of service delivery agreement or contract | Monetary value of agreement 2. |
|----------------------|-----------|------------------------|----------------------------|---|--------------------------------|
| Name of organisation | | Number | | | R thousand |
| ESKOM | | | AGENCY FEES | INDEFINATE | 620,235 |
| BYTES | | | SAMRAS SYSTEM | INDEFINATE | 338 |
| UMNGENI SPCA | | | GRANT | INDEFINATE | 928 |
| ABSA VEHICLE FINANCE | | | LEASING OF VEHICLES | INDEFINATE | 1,400 |
| TELKOM | | | RENTAL FOR TELEPHONE LINES | INDEFINATE | 1,440 |
| LASER COM | | | POSTAGE | INDEFINATE | 600 |

2.12 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 53 MBRR SA 34a - Capital expenditure on new assets by asset class

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | | | |
|--|--------------------------|---------------------------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|--------|-----|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 | | |
| R thousand | 1 | | | | | | | | | | | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | | | |
| Infrastructure | 2 | 18,453 | – | – | – | 6,638 | 6,638 | 27,102 | 34,010 | 37,978 | | |
| | | Infrastructure - Road transport | 13,564 | – | – | – | 3,766 | 3,766 | 20,312 | 23,010 | 22,868 | |
| | | Roads, Pavements & Bridges | | | | | 2,636 | 2,636 | 20,312 | 23,010 | 22,868 | |
| | | Storm water | 13,564 | | | | 1,130 | 1,130 | | | | |
| | | Infrastructure - Electricity | 4,889 | – | – | – | 1,566 | 1,566 | 1,900 | 8,500 | 15,000 | |
| | | Generation | | | | | | | | | | |
| | | Transmission & Reticulation | 4,889 | | | | 1,566 | 1,566 | 1,900 | 8,500 | 15,000 | |
| | | Street Lighting | | | | | | | | | | |
| | | Infrastructure - Other | – | – | – | – | 1,305 | 1,305 | 4,890 | 2,500 | 110 | |
| | | Waste Management | | | | | | | | | | |
| | | Transportation | | | | | | | | | | |
| | | Gas | | | | | | | | | | |
| | | Other | | | | | 1,305 | 1,305 | 4,890 | 2,500 | 110 | |
| | | Community | 3 | 1,333 | – | – | – | – | – | 5,160 | 800 | 500 |
| | | Parks & gardens | 7 | 531 | | | | | | | | |
| | Libraries | 35 | | | | | | | – | – | – | |
| | Recreational facilities | – | | | | | | | 400 | 400 | 500 | |
| | Fire, safety & emergency | – | | | | | | | 700 | – | – | |
| | Security and policing | 761 | | | | | | | | | | |
| | Buses | – | | | | | | | | | | |
| | Clinics | 3 | | | | | | | | | | |
| | Museums & Art Galleries | 2 | | | | | | | | | | |
| | Cemeteries | | | | | | | | | | | |
| | Social rental housing | | | | | | | | | | | |
| | Other | 8 | | | | | | 1,300 | 400 | | | |
| Heritage assets | 9 | – | – | – | – | – | – | – | – | – | | |
| Buildings | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Investment properties | 10 | – | – | – | – | 40 | 40 | – | – | – | | |
| Housing development | | | | | | | | | | | | |
| Other | | | | | | 40 | 40 | | | | | |
| Other assets | 10 | 11,444 | – | – | – | 3,021 | 3,021 | – | – | – | | |
| General vehicles | | | | | | 1,122 | 1,122 | | | | | |
| Specialised vehicles | | – | – | – | – | – | – | – | – | – | | |
| Civic Land and Buildings | | | | | | | | | | | | |
| Other Buildings | | | | | | | | | | | | |
| Other Land | | | | | | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | | | | | | |
| Other | | 11,444 | | | | 1,899 | 1,899 | | | | | |
| Agricultural assets | 10 | – | – | – | – | – | – | – | – | – | | |
| List sub-class | | | | | | | | | | | | |
| Biological assets | 10 | – | – | – | – | – | – | – | – | – | | |
| List sub-class | | | | | | | | | | | | |
| Intangibles | 10 | – | – | – | – | 5 | 5 | – | – | – | | |
| Computers - software & programming | | | | | | 5 | 5 | | | | | |
| Other (list sub-class) | | | | | | | | | | | | |
| Total Capital Expenditure on new assets | 1 | 31,230 | – | – | – | 9,704 | 9,704 | 32,262 | 34,810 | 38,478 | | |

Table 54 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 18,453 | 17,297 | - | - | - | - | - | - | - |
| Infrastructure - Road Transport | | 13,564 | 13,346 | - | - | - | - | - | - | - |
| Roads, Pavements & Bridges | | 13,564 | 13,346 | | | | | | | |
| Storm water | | | | | | | | | | |
| Infrastructure - Electricity | | 4,889 | 2,867 | - | - | - | - | - | - | - |
| Generation | | | | | | | | | | |
| Transmission & Reticulation | | 4,889 | 2,867 | | | | | | | |
| Street Lighting | | | | | | | | | | |
| Infrastructure - Other | | - | 1,084 | - | - | - | - | - | - | - |
| Waste Management | | | 1,084 | | | | | | | |
| Transportation | | | | | | | | | | |
| Community | | 1,332 | 481 | - | - | - | - | - | - | - |
| Parks & gardens | | 531 | 27 | | | | | | | |
| Sportsfields & stadia | | - | - | | | | | | | |
| Swimming pools | | - | - | | | | | | | |
| Community halls | | - | - | | | | | | | |
| Libraries | | 35 | - | | | | | | | |
| Recreational facilities | | - | - | | | | | | | |
| Fire, safety & emergency | | - | - | | | | | | | |
| Security and policing | | 761 | - | | | | | | | |
| Buses | | - | - | | | | | | | |
| Clinics | | 3 | 9 | | | | | | | |
| Museums & Art Galleries | | 2 | - | | | | | | | |
| Cemeteries | | - | - | | | | | | | |
| Social rental housing | | - | - | | | | | | | |
| Other | | | 444 | | | | | | | |
| Heritage assets | | - | 3,780 | - | - | - | - | - | - | - |
| Buildings | | | 3,780 | | | | | | | |
| Other | | | | | | | | | | |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Housing development | | | | | | | | | | |
| Other | | | | | | | | | | |
| Other assets | | 11,445 | - | - | - | - | - | - | - | - |
| General vehicles | | | | | | | | | | |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | | | | | | | | | |
| Other | | 11,445 | | | | | | | | |
| Agricultural assets | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | | | | | | | | |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | | | | | | | | |
| Intangibles | | - | - | - | - | - | - | - | - | - |
| Computers - software & programming | | | | | | | | | | |
| Other (list sub-class) | | | | | | | | | | |
| Total Capital Expenditure on renewal of existing assets | 1 | 31,230 | 21,558 | - | - | - | - | - | - | - |

Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 medium term Revenue & Expenditure Framework | | |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | 7 | | | | | | | | | |

Table 56 MBRR SA35 - Future financial implications of the capital budget

| Vote Description R thousand | Ref | 2013/14 medium term Revenue & Expenditure Framework | | | Forecasts | | | Present value |
|---|-----|---|-------------------------|------------------------|------------------|------------------|------------------|---------------|
| | | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 | Forecast 2015/16 | Forecast 2016/17 | Forecast 2017/18 | |
| Capital expenditure | 1 | | | | | | | |
| Vote 1 - Executive and Council | | 1,300 | 400 | - | | | | |
| Vote 2 - Budget and Treasury Office | | - | - | - | | | | |
| Vote 3 - Corporate Services | | - | - | - | | | | |
| Vote 4 - Planning and Development | | - | - | - | | | | |
| Vote 5 - Community Services | | 3,860 | 400 | 500 | 1,000 | 3,000 | 4,000 | |
| Vote 6 - Technical Services | | 25,202 | 25,510 | 22,978 | 25,000 | 30,000 | 40,000 | |
| Vote 7 - Economic Development and Growth | | - | - | - | | | | |
| Vote 8 - Internal Audit | | - | - | - | | | | |
| Vote 9 - Electricity | | 1,900 | 8,500 | 15,000 | 10,000 | 15,000 | 20,000 | |
| Total Capital Expenditure | | 32,262 | 34,810 | 38,478 | 36,000 | 48,000 | 64,000 | - |
| Future operational costs by vote | 2 | | | | | | | |
| Vote 1 - Executive and Council | | | | | | | | |
| Vote 2 - Budget and Treasury Office | | | | | | | | |
| Vote 3 - Corporate Services | | | | | | | | |
| Vote 4 - Planning and Development | | | | | | | | |
| Vote 5 - Community Services | | | | | | | | |
| Vote 6 - Technical Services | | | | | | | | |
| Vote 7 - Economic Development and Growth | | | | | | | | |
| Vote 8 - Internal Audit | | | | | | | | |
| Vote 9 - Electricity | | | | | | | | |
| Total future operational costs | | - | - | - | - | - | - | - |
| Future revenue by source | 3 | | | | | | | |
| Property rates | | | | | | | | |
| Property rates - penalties & collection charges | | | | | | | | |
| Service charges - electricity revenue | | | | | | | | |
| Service charges - refuse revenue | | | | | | | | |
| Service charges - other | | | | | | | | |
| Rental of facilities and equipment | | | | | | | | |
| Total future revenue | | - | - | - | - | - | - | - |
| Net Financial Implications | | 32,262 | 34,810 | 38,478 | 36,000 | 48,000 | 64,000 | - |

Table 57 MBRR SA36 - Detailed capital budget per municipal vote

| Municipal Vote/Capital project | Ref | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No) | Asset Class | Asset Sub-Class | GPS co-ordinates | Total Project Estimate | Prior year outcomes | | 2013/14 Medium Term Revenue & Expenditure Framework | | | Project information | |
|--|-----|-----------------------------|----------------|-----------------|--------------------------------|-------------|-----------------|------------------|------------------------|-------------------------|---|---|-------------------------|------------------------|---------------------|----------------|
| | | | | | | | | | | Audited Outcome 2011/12 | Current Year 2012/13 Full Year Forecast | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 | Ward location | New or renewal |
| Parent municipality: <i>List all capital projects grouped by Municipal Vote</i> | | | | | | | | | | | | | | | | |
| Mpophomeni Roads And Stormwater Phase 9 | | | | | | | | | | | | 6,041 | | | | |
| Main Road Howick | | | | | | | | | | | | 1,428 | | | | |
| Main Road 390 Taxi Facility | | | | | | | | | | | | 500 | 2,500 | | | |
| Main Road AFA Surfacing | | | | | | | | | | | | 5,000 | | | | |
| Mpophomeni Wards 8, 10 and 11 | | | | | | | | | | | | - | 10,000 | 10,000 | | |
| Midlands Roads | | | | | | | | | | | | 1,000 | 4,081 | 5,000 | | |
| Khayelisha Roads & Stormwater | | | | | | | | | | | | 4,343 | - | | | |
| Khayelisha Roads | | | | | | | | | | | | - | 6,429 | 7,868 | | |
| Mpophomeni Taxi Rank | | | | | | | | | | | | 2,000 | | | | |
| Parent Capital expenditure | 1 | | | | | | | | | | | 20,312 | 23,010 | 22,868 | | |

Table 58 MBRR SA37 - Projects delayed from previous financial year

| Municipal Vote/Capital project R thousand | Ref. 1,2 | Project name | Project number | Asset Class 3 | Asset Sub-Class 3 | GPS co-ordinates 4 | Previous target year to complete Year | Current Year 2012/13 | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-------------|--------------|----------------|------------------|----------------------|-----------------------|---|----------------------|--------------------|---|------------------------|------------------------|
| | | | | | | | | Original Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Parent municipality: <i>List all capital projects grouped by Municipal Vote</i> | | | | <i>Examples</i> | <i>Examples</i> | | | | | | | |
| Entities: <i>List all capital projects grouped by Municipal Entity</i> <i>Entity Name</i> <i>Project name</i> | | | | | | | | | | | | |

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 10 interns through this programme and a majority of them were appointed either in uMngeni Municipality or other municipalities.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in June 2013 directly aligned and informed by the 2013/14 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | | | | |
| Property rates | 6 | | | | | | | | | | |
| Total Property Rates | | 113,162 | 132,344 | 150,056 | 144,110 | 145,739 | 145,739 | 145,739 | 161,436 | 170,476 | 179,682 |
| less Revenue Foregone | | 47,935 | 55,596 | 58,932 | 45,734 | 45,734 | 45,734 | 45,734 | 43,780 | 46,013 | 48,268 |
| Net Property Rates | | 65,228 | 76,748 | 91,124 | 98,376 | 100,005 | 100,005 | 100,005 | 117,655 | 124,463 | 131,414 |
| Service charges - electricity revenue | 6 | | | | | | | | | | |
| Total Service charges - electricity revenue | | 30,907 | 36,332 | 50,448 | 57,058 | 57,058 | 57,058 | 57,058 | 67,785 | 73,208 | 80,162 |
| less Revenue Foregone | | | | | 2,200 | 2,200 | 2,200 | 2,200 | 2,510 | 2,638 | 2,767 |
| Net Service charges - electricity revenue | | 30,907 | 36,332 | 50,448 | 54,858 | 54,858 | 54,858 | 54,858 | 65,275 | 70,570 | 77,395 |
| Service charges - refuse revenue | 6 | | | | | | | | | | |
| Total refuse removal revenue | | 8,164 | 10,232 | 8,190 | 8,703 | 8,703 | 8,703 | 8,703 | 12,250 | 12,936 | 13,634 |
| Total landfill revenue | | | | | - | - | - | - | 46 | 49 | 51 |
| less Revenue Foregone | | | | | 5,000 | 5,000 | 5,000 | 5,000 | 4,356 | 5,605 | 6,229 |
| Net Service charges - refuse revenue | | 8,164 | 10,232 | 8,190 | 3,703 | 3,703 | 3,703 | 3,703 | 7,940 | 7,379 | 7,456 |
| Other Revenue by source | | | | | | | | | | | |
| Other | | | | 22,657 | | | | | 14,507 | 16,011 | 17,135 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Other revenue | 3 | 29,785 | 32,177 | | 13,121 | 12,135 | 12,135 | 12,135 | | | |
| Total 'Other' Revenue | 1 | 29,785 | 32,177 | 22,657 | 13,121 | 12,135 | 12,135 | 12,135 | 14,507 | 16,011 | 17,135 |
| EXPENDITURE ITEMS: | | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 47,289 | 50,067 | 49,578 | 54,400 | 54,400 | 54,400 | 54,400 | 51,554 | 54,854 | 58,364 |
| Pension and UIF Contributions | | 8,343 | 8,438 | 3,246 | 8,768 | 8,768 | 8,768 | 8,768 | 9,518 | 10,127 | 10,776 |
| Medical Aid Contributions | | 804 | 825 | 2,542 | 2,584 | 2,584 | 2,584 | 2,584 | 3,886 | 4,134 | 4,399 |
| Overtime | | 304 | 3,551 | 3,582 | 2,439 | 2,439 | 2,439 | 2,439 | 3,370 | 3,586 | 3,816 |
| Performance Bonus | | 4,613 | 3,892 | | 4,291 | 4,291 | 4,291 | 4,291 | - | - | - |
| Motor Vehicle Allowance | | 3,756 | 818 | 806 | 615 | 615 | 615 | 615 | 539 | 574 | 611 |
| Cellphone Allowance | | - | 59 | 62 | 54 | 54 | 54 | 54 | 61 | 65 | 70 |
| Housing Allowances | | - | 205 | 229 | 238 | 238 | 238 | 238 | 294 | 313 | 333 |
| Other benefits and allowances | | - | 76 | 5,323 | | | | | 3,593 | 3,823 | 4,068 |
| Payments in lieu of leave | | | | | | | | | 4,601 | 4,895 | 5,209 |
| Long service awards | | | | | | | | | 998 | 1,062 | 1,130 |
| Post-retirement benefit obligations | 4 | | | 7,900 | | | | | 395 | 420 | 447 |
| sub-total | 5 | 65,109 | 67,930 | 73,267 | 73,389 | 73,389 | 73,389 | 73,389 | 78,811 | 83,854 | 89,221 |

**Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance
(Continued)**

| | | | | | | | | | | | |
|---|---|--------|--------|--------|--------|--------|--------|--------|----------|----------|----------|
| Less: Employees costs capitalised to PPE | | | | | | | | | | | |
| Total Employee related costs | 1 | 65,109 | 67,930 | 73,267 | 73,389 | 73,389 | 73,389 | 73,389 | 78,811 | 83,854 | 89,221 |
| Contributions recognised - capital | | | | | | | | | | | |
| Total Contributions recognised - capital | | - | - | - | - | - | - | - | (32,262) | (34,810) | (38,478) |
| Depreciation & asset impairment | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 9,704 | 10,108 | 10,563 | 10,985 |
| Total Depreciation & asset impairment | 1 | 8,187 | 8,727 | 12,710 | 9,704 | 9,704 | 9,704 | 9,704 | 10,108 | 10,563 | 10,985 |
| Bulk purchases | | | | | | | | | | | |
| Electricity Bulk Purchases | | 29,225 | 38,383 | 51,625 | 58,865 | 64,523 | 64,523 | 64,523 | 69,955 | 75,551 | 81,595 |
| Water Bulk Purchases | | | | | | | | | - | - | - |
| Total bulk purchases | 1 | 29,225 | 38,383 | 51,625 | 58,865 | 64,523 | 64,523 | 64,523 | 69,955 | 75,551 | 81,595 |
| Transfers and grants | | | | | | | | | | | |
| Cash transfers and grants | | - | - | 2,379 | - | - | - | - | - | - | - |
| Non-cash transfers and grants | | - | - | - | - | - | - | - | - | - | - |
| Total transfers and grants | 1 | - | - | 2,379 | - | - | - | - | - | - | - |
| Contracted services | | | | | | | | | | | |
| Eskom | | 2,389 | 2,019 | 1,063 | 4,500 | 2,000 | 2,000 | 2,000 | 4,000 | 4,668 | 4,897 |
| sub-total | 1 | 2,389 | 2,019 | 1,063 | 4,500 | 2,000 | 2,000 | 2,000 | 4,000 | 4,668 | 4,897 |
| Allocations to organs of state: | | | | | | | | | | | |
| Total contracted services | | 2,389 | 2,019 | 1,063 | 4,500 | 2,000 | 2,000 | 2,000 | 4,000 | 4,668 | 4,897 |
| Other Expenditure By Type | | | | | | | | | | | |
| Collection costs | | | | 177 | | | | | | | |
| Contributions to 'other' provisions | | 2,278 | 1,384 | - | 5,240 | 5,240 | 5,240 | 5,240 | 5,994 | 6,065 | 6,137 |
| Consultant fees | | 4,245 | - | | 1,381 | 1,381 | 1,381 | 1,381 | 1,396 | 1,467 | 1,539 |
| Audit fees | | 1,157 | 969 | | 1,272 | 1,272 | 1,272 | 1,272 | 1,434 | 1,507 | 1,507 |
| General expenses | 3 | 55,131 | 52,754 | 55,744 | 43,304 | 21,365 | 21,365 | 21,365 | 77,770 | 78,470 | 83,037 |
| Security | | - | 3,892 | | | 2,693 | 2,693 | 2,693 | | | |
| Grants paid | | - | 3,487 | | | 456 | 456 | 456 | | | |
| Debt collection fee | | - | 2,001 | | | 1,000 | 1,000 | 1,000 | | | |
| Insurance | | - | 715 | | | 711 | 711 | 711 | | | |
| Legal Fees | | - | 795 | | | 712 | 712 | 712 | | | |
| Subsistence and Travelling | | - | 289 | | | 371 | 371 | 371 | | | |
| SPCA expenses | | - | 520 | | | 498 | 498 | 498 | | | |
| Lease of vehicles | | - | - | | | 355 | 355 | 355 | | | |
| Pound services | | - | - | | | 520 | 520 | 520 | | | |
| Asset register maintenance | | - | - | | | 318 | 318 | 318 | | | |
| Advertising | | - | - | | | 439 | 439 | 439 | | | |
| Postages | | - | 410 | | | 799 | 799 | 799 | | | |
| Bank Charges | | - | 629 | | | 577 | 577 | 577 | | | |
| External loans redemption | | | | | | 3,707 | 3,707 | 3,707 | | | |
| External loans interest | | | | | | 4,209 | 4,209 | 4,209 | | | |
| Internal transfers | | | | | | - | - | - | | | |
| Ward committees | | | | | | 800 | 800 | 800 | | | |
| Total 'Other' Expenditure | 1 | 62,811 | 67,844 | 59,479 | 64,385 | 68,126 | 68,126 | 68,126 | 86,593 | 87,509 | 92,219 |
| Repairs and Maintenance by Expenditure Item | | | | | | | | | | | |
| Employee related costs | 8 | | | | | | | | | | |
| Other materials | | | | | | | | | | | |
| Contracted Services | | | | | | | | | | | |
| Other Expenditure | | | 8,010 | | | | | | 29,322 | 28,602 | 28,844 |
| Total Repairs and Maintenance Expenditure | 9 | - | 8,010 | - | - | - | - | - | 29,322 | 28,602 | 28,844 |

Table 60 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

| Description | Ref | Vote 1 - | Vote 2 - | Vote 3 - | Vote 4 - | Vote 5 - | Vote 6 - | Vote 7 - | Vote 8 - | Vote 9 - | Total |
|--|-----|---------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|----------------|
| R thousand | 1 | Executive and | Budget and | Corporate | Planning and | Community | Technical | Economic | Internal Audit | Electricity | |
| Revenue By Source | | | | | | | | | | | |
| Property rates | | 117,655 | - | - | - | - | - | - | - | - | 117,655 |
| Property rates - penalties & collection charges | | 3,607 | - | - | - | - | - | - | - | - | 3,607 |
| Service charges - electricity revenue | | - | - | - | - | - | - | - | - | 65,275 | 65,275 |
| Service charges - water revenue | | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | - | - | - |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | - | - | 1,052 | - | - | - | - | - | - | 1,052 |
| Interest earned - external investments | | - | 352 | - | - | - | - | - | - | - | 352 |
| Interest earned - outstanding debtors | | 1,065 | - | - | - | - | - | - | - | - | 1,065 |
| Remuneration of councillors | | 5,836 | - | - | - | - | - | - | - | - | 5,836 |
| Debt impairment | | - | - | - | - | - | - | - | - | 528 | 528 |
| Depreciation & asset impairment | | 851 | 106 | 1,076 | 56 | 1,460 | 4,085 | 111 | - | 2,364 | 10,108 |
| Finance charges | | - | 899 | 569 | - | 443 | 2,353 | 40 | - | 500 | 4,804 |
| Bulk purchases | | - | - | - | - | - | - | - | - | 69,955 | 69,955 |
| Contracted services | | - | - | - | - | - | - | - | - | 6,500 | 6,500 |
| Transfers and grants | | 890 | 1,550 | - | - | - | - | - | - | - | 2,440 |
| Other expenditure | | 48,007 | 4,005 | 9,232 | 913 | 9,147 | 6,064 | 356 | - | 9,427 | 87,150 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 60,474 | 17,323 | 18,853 | 6,975 | 32,331 | 33,011 | 2,395 | - | 89,273 | 260,634 |
| Surplus/(Deficit) | | 90,508 | (14,293) | (17,635) | (4,891) | (14,870) | (10,326) | (2,395) | - | (15,473) | 10,624 |
| Transfers recognised - capital | | - | - | - | - | 2,500 | 18,412 | - | - | 1,000 | 21,912 |
| Contributions recognised - capital | | (1,300) | - | - | - | (3,860) | (25,202) | - | - | (1,900) | (32,262) |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 89,208 | (14,293) | (17,635) | (4,891) | (16,230) | (17,116) | (2,395) | - | (16,373) | 274 |

Table 61 MBRR Table SA3 – Supporting detail to Statement of Financial Position

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|-------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year + 1 2014/15 | Budget Year +2 2015/16 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Call investment deposits | | | | | | | | | | | |
| Call deposits < 90 days | | 3,555 | 2,109 | | 1,700 | 1,425 | 1,425 | 1,425 | 21,964 | 22,403 | 22,851 |
| Other current investments > 90 days | | 1,035 | 1,099 | 2,415 | | 7,573 | 7,573 | 7,573 | | | |
| Total Call investment deposits | 2 | 4,590 | 3,208 | 2,415 | 1,700 | 8,998 | 8,998 | 8,998 | 21,964 | 22,403 | 22,851 |
| Consumer debtors | | | | | | | | | | | |
| Consumer debtors | | 66,367 | 55,968 | 40,771 | 70,000 | 75,751 | 75,751 | 75,751 | 77,364 | 72,500 | 65,000 |
| Less: Provision for debt impairment | | (2,736) | (7,843) | | | (10,000) | (10,000) | (10,000) | 528 | 554 | 582 |
| Total Consumer debtors | 2 | 63,631 | 48,124 | 40,771 | 70,000 | 65,751 | 65,751 | 65,751 | 77,892 | 73,054 | 65,582 |
| Debt impairment provision | | | | | | | | | | | |
| Balance at the beginning of the year | | 13,971 | 2,736 | | 7,843 | 7,843 | 7,843 | 7,843 | 26,428 | 26,428 | 26,678 |
| Contributions to the provision | | 5,396 | 5,108 | | 2,157 | 2,157 | 2,157 | 2,157 | – | 250 | 5,000 |
| Bad debts written off | | (16,632) | – | | (10,000) | (10,000) | (10,000) | (10,000) | | | |
| Balance at end of year | | 2,736 | 7,843 | – | 0 | 0 | 0 | 0 | 26,428 | 26,678 | 31,678 |
| Property, plant and equipment (PPE) | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance lease) | | 248,405 | 419,214 | 613,391 | 385,590 | 385,590 | 385,590 | 385,590 | 513,336 | 441,994 | 360,472 |
| Leases recognised as PPE | 3 | – | – | | | – | – | – | | | |
| Less: Accumulated depreciation | | 36,314 | 50,824 | | 770 | 770 | 770 | 770 | 71,342 | 81,521 | 92,158 |
| Total Property, plant and equipment | 2 | 212,091 | 368,390 | 613,391 | 384,820 | 384,820 | 384,820 | 384,820 | 441,994 | 360,472 | 268,314 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities - Borrowing | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | | | | – | – | – | – | | | |
| Current portion of long-term liabilities | | 2,635 | 2,912 | 7,223 | 3,707 | 3,707 | 3,707 | 3,707 | 950 | 969 | 993 |
| Total Current liabilities - Borrowing | | 2,635 | 2,912 | 7,223 | 3,707 | 3,707 | 3,707 | 3,707 | 950 | 969 | 993 |
| Trade and other payables | | | | | | | | | | | |
| Trade and other creditors | | 28,898 | 50,194 | 39,233 | 45,000 | 20,651 | 20,651 | 20,651 | 39,233 | 35,500 | 33,000 |
| Unspent conditional transfers | | 28,329 | 21,750 | 13,662 | 10,000 | 6,499 | 6,499 | 6,499 | 1,631 | 1,782 | 1,960 |
| VAT | | 2,861 | 2,359 | 2,557 | | – | – | – | | | |
| Total Trade and other payables | 2 | 60,088 | 74,303 | 55,453 | 55,000 | 27,149 | 27,149 | 27,149 | 40,864 | 37,282 | 34,960 |
| Non current liabilities - Borrowing | | | | | | | | | | | |
| Borrowing | 4 | 41,430 | 41,895 | 34,059 | 37,557 | 37,557 | 37,557 | 37,557 | 34,816 | 33,057 | 28,924 |
| Finance leases (including PPP asset e | | 3,031 | 1,601 | 1,227 | | – | – | – | | | |
| Total Non current liabilities - Borrowing | | 44,461 | 43,496 | 35,286 | 37,557 | 37,557 | 37,557 | 37,557 | 34,816 | 33,057 | 28,924 |
| Provisions - non-current | | | | | | | | | | | |
| Retirement benefits | | 11,065 | 17,809 | 18,348 | 16,000 | 16,000 | 16,000 | 16,000 | 4,601 | 4,835 | 5,072 |
| List other major provision items | | | | | | | | | | | |
| Refuse landfill site rehabilitation | | 6,550 | 7,267 | | 7,500 | 7,500 | 7,500 | 7,500 | | | |
| Other | | 2,061 | – | 12,676 | 2,500 | 2,500 | 2,500 | 2,500 | | | |
| Total Provisions - non-current | | 19,676 | 25,076 | 31,024 | 26,000 | 26,000 | 26,000 | 26,000 | 4,601 | 4,835 | 5,072 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening | | 51,128 | 129,166 | 353,770 | 137,334 | 137,334 | 137,334 | 137,334 | 124,414 | 130,634 | 137,166 |
| GRAP adjustments | | | | | | | | | | | |
| Restated balance | | 51,128 | 129,166 | 353,770 | 137,334 | 137,334 | 137,334 | 137,334 | 124,414 | 130,634 | 137,166 |
| Surplus/(Deficit) | | 12,988 | 16,139 | 9,503 | 16,349 | 21,809 | 21,809 | 21,809 | 274 | 1,135 | 2,757 |
| Appropriations to Reserves | | | | | | | | | | | |
| Transfers from Reserves | | | | | | | | | | | |
| Depreciation offsets | | | | | | | | | | | |
| Other adjustments | | 51,146 | (40,787) | | | 16,551 | 16,551 | 16,551 | | | |
| Accumulated Surplus/(Deficit) | 1 | 115,262 | 104,519 | 363,273 | 153,683 | 175,694 | 175,694 | 175,694 | 124,688 | 131,769 | 139,923 |
| Reserves | | | | | | | | | | | |
| Housing Development Fund | | 11,944 | 15,286 | 14,847 | 11,994 | 11,994 | 11,994 | 11,994 | 14,847 | 15,218 | 15,447 |
| Capital replacement | | | | | | | | | | | |
| Self-insurance | | | | | | | | | | | |
| Other reserves | | | | | | | | | | | |
| Revaluation | | 10,693 | 153,835 | 151,770 | 153,835 | 153,835 | 153,835 | 153,835 | 217,081 | 222,508 | 225,846 |
| Total Reserves | 2 | 22,637 | 169,121 | 166,618 | 165,829 | 165,829 | 165,829 | 165,829 | 231,928 | 237,726 | 241,292 |
| TOTAL COMMUNITY WEALTH | 2 | 137,899 | 273,640 | 529,890 | 319,512 | 341,523 | 341,523 | 341,523 | 356,616 | 369,496 | 381,215 |

Table 62 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

| Description of economic indicator | Ref. | Basis of calculation | 1996 Census | 2001 Census | 2007 Survey | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---|-------|----------------------|-------------|-------------|-------------|----------|----------|---------|----------------------|---|---------|---------|
| | | | | | | Outcome | Outcome | Outcome | Original | Outcome | Outcome | Outcome |
| Demographics | | | | | | | | | | | | |
| Population | | | 70 | 74 | 85 | 85 | 90 | | 90 | 92 | 93 | 94 |
| Females aged 5 - 14 | | | 36 | 37 | 43 | 43 | 44 | | 44 | 45 | 46 | 47 |
| Males aged 5 - 14 | | | 34 | 36 | 42 | 42 | 43 | | 44 | 45 | 46 | 47 |
| Females aged 15 - 34 | | | 8 | 12 | 11 | 12 | 13 | | 14 | 14 | 14 | 14 |
| Males aged 15 - 34 | | | | | | | | | | | | |
| Unemployment | | | | | | | | | | | | |
| Monthly household income (no. of households) | 1, 12 | | | | | | | | | | | |
| No income | | | 4,622 | 1,800 | 2,100 | 2,100 | 2,200 | | 2,200 | 2,200 | 2,300 | 2,500 |
| R1 - R1 600 | | | - | - | - | - | - | | - | - | - | - |
| R1 601 - R3 200 | | | - | - | - | - | - | | - | - | - | - |
| R3 201 - R6 400 | | | - | - | - | - | - | | - | - | - | - |
| R6 401 - R12 800 | | | - | - | - | - | - | | - | - | - | - |
| R12 801 - R25 600 | | | - | - | - | - | - | | - | - | - | - |
| R25 601 - R51 200 | | | 69,741 | 73,896 | 84,715 | 84,715 | 90,000 | | 92,000 | 92,000 | 93,000 | 94,000 |
| R52 201 - R102 400 | | | - | - | - | - | - | | - | - | - | - |
| R102 401 - R204 800 | | | 15 | 20 | 21 | 22 | 22 | | 23 | 23 | 23 | 23 |
| R204 801 - R409 600 | | | - | - | - | - | - | | - | - | - | - |
| R409 601 - R819 200 | | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 |
| > R819 200 | | | | | | | | | - | | | |
| Poverty profiles (no. of households) | | | | | | | | | | | | |
| < R2 060 per household per month | 13 | | 13,918 | 17,981 | 18,801 | 19000.00 | 19000.00 | | 21000.00 | | | |
| Insert description | 2 | | | | | | | | | | | |

Table 63 MBRR SA32 – List of external mechanisms

| External mechanism | Yrs/ Mths | Period of agreement 1. | Service provided | Expiry date of service delivery agreement or contract | Monetary value of agreement 2. |
|----------------------|-----------|------------------------|--------------------------|---|--------------------------------|
| Name of organisation | | Number | | | R thousand |
| ESKOM | | | AGENCY FEES | INDEFINATE | 620,235 |
| BYTES | | | SAMRAS SYSTEM | INDEFINATE | 338 |
| UMNGENI SPCA | | | GRANT | INDEFINATE | 928 |
| ABSA VEHICLE FINANCE | | | LEASING OF VEHICLES | INDEFINATE | 1,400 |
| TELKOM | | | RENTAL FOR TELEPHONE LIN | INDEFINATE | 1,440 |
| LASER COM | | | POSTAGE | INDEFINATE | 600 |



MUNICIPAL NOTICE NO. /2013

AMENDMENT TO TARIFFS: 2013/2014 FINANCIAL YEAR

Notice is hereby given in terms of Section 75A(3)(b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that uMngeni Municipal Council by Resolution taken on 29 May 2013 resolved to amend the following tariffs as indicated:

1. Refuse Removal Tariffs

- | | | |
|-----|-------------------------|---|
| (a) | Domestic Consumers | Free up to total market value per property of R200 000. Consumers/Ratepayers with property values in excess of R200 000 will have a monthly charge of R51.09 |
| (b) | Commercial Consumers | R95.40 per 120ℓ bin per month (One collection per week) |
| (c) | Government Institutions | R84.80 per bin 120ℓ per month (One collection per week) |

Sectional title complexes that collect and transport domestic refuse to the landfill site for disposal must make application in writing to the Municipal Manager in order to qualify for reduced refuse removal tariffs subject to all necessary criteria being met.

Waste Management

Garden Refuse at Landfill Site

R1,00 per Kg

Builders Rubble at Landfill Site

R0,25 per Kg

Domestic Refuse at Landfill Site

R1,00 per Kg

The above tariff excludes Vat.

2. Electricity Tariffs**3.****Domestic Consumers High on Conventional Meters**

| | |
|------------------------|-------------------|
| BLOCK 1: 0 – 50 Kwh | 69c/kwh |
| BLOCK 2: 51 - 350 Kwh | 84c/kwh |
| BLOCK 3: 351 – 600 Kwh | 109c/kwh |
| BLOCK 4: 601 and above | 132c/kwh |
| Basic Charge | R101.04 per month |

Any domestic consumer in excess of 60 amps will attract the charge of R19.14 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2013 irrespective of when meter readings were taken

Domestic Consumers Low on Prepaid Meters

| | |
|------------------------|----------|
| BLOCK 1: 0 – 50 kwh | 66c/kwh |
| BLOCK 2: 51 - 350 kwh | 80c/kwh |
| BLOCK 3: 351 – 600 kwh | 106c/kwh |

Domestic Consumers High on Prepaid Meters

| | |
|------------------------|----------|
| BLOCK 1: 0 – 50 kwh | 69c/kwh |
| BLOCK 2: 51 - 350 kwh | 84c/kwh |
| BLOCK 3: 351 – 600 kwh | 109c/kwh |
| BLOCK 4: 601 and above | 132c/kwh |

Commercial Consumers on Conventional Meters

| | |
|--------------|--------------------------|
| Per kwh | 76c/kwh |
| Basic Charge | R19.14 per amp per month |

These tariffs are applicable in respect of all accounts rendered from 1 July 2013 irrespective of when meter readings were taken.

Commercial Consumers on Prepaid Meters

| | |
|---------|----------|
| Per kwh | 132c/kwh |
|---------|----------|

4. Deposits

- (a) Domestic Consumers:
 - Electricity R1460,00
- (a) All Other Consumers:
 - Electricity: Minimum deposit of R5130,00 but will be Based on 2 months consumption.

5. Meter Reading Fees

- (a) Domestic Consumers: R 83,00 per reading on request
- (b) All Other Consumers: R162,00 per reading

6. Testing of Meters

- (a) Domestic meters: R 216,00 per meter
- (b) Commercial meters: R540,00 per meter

The above tariff excludes Vat.

ELECTRICITY - STANDARD CONNECTIONS

Electricity: (Conventional & Prepaid) R5780,00 per connection.

Electricity: (Conversion to Pre-paid) R600,00 per connection

(The standard conversion tariff applies to indigent applicants only and the application must be made for a 20 amp circuit breaker or lower)

Domestic Circuit Breaker upgrades R1110,00 per change

Any other Circuit Breaker upgrades are at cost plus 10 %

ELECTRICITY - OTHER CONNECTIONS

All other electricity connections, beyond the above standard connection are at cost + 20%.

Conversion from conventional to prepaid above 20 amps is at cost + 20%.

All new electricity, water and sewerage connections are made to the boundary of the property and not the dwelling, depending on the technical considerations.

The above tariff excludes Vat.

8. **Disconnection/Reconnection and Tamper Fees**

Electricity: Disconnection/Reconnection fee R350,00

Electricity:

1st Offence R2000,00

2nd Offence R3000,00

3rd Offence Prosecution.

The above tariff excludes Vat.

9. Library Membership Fees

Adults R86,00 per annum

Children (under 18) R54,00 per annum

The above tariff excludes Vat.

10. Clearance Certificates and Property Valuation Certificates & Objections

(a) Issuing of Clearance Certificates R150,00 per certificate.

(b) Issuing of Property Valuation Certificates R 90.00 per certificate

(c) Lodging of Objections: R300.00 per objection for Residential and Non-Residential Properties

R600.00 per objection for Agricultural Properties

Refundable if objection is upheld

(d) Lodging of Appeals: R750.00 per appeal for all properties. Refundable if the appeal is upheld by the Valuations Appeals Board

The above tariff excludes Vat.

11. Building Plan Fees

Minor Works and Internal R140,00

Alterations not affecting the floor area.

New Buildings, erection or additions:

(a) For first 20m² R 90,00

(b) For 21m² - 50² R150,00

(c) For 51m² - 90m² R220,00

(d) For 91m² and above. R 100,00 per 10m²

or part thereof save for a 50% reduction on bona fide farming structures utilized for farming purposes in excess 91m².

(e) Approval in principle 30% of Building Plan Fee.

(f) Swimming Pools R210,00

(g) Drainage charge R210,00

(h) Petrol, Diesel & Gas R220,00

(i) Temporary Buildings R145,00 for each 50m² or part thereof.

(j) Pre-cast Concrete Boundary walls R 130,00

not adjacent to a road boundary
but exceeding 1,8 meters in height
shall require the submission of
an application with sketch plan.

(k) Pre-cast Concrete Boundary walls 1/2% of the Value of the R100,00
adjacent to a road exceeding fence – Minimum

| | | |
|-----|--|---|
| | 1,5 meters in height are subject to the submission of application forms and building plans. | |
| (l) | Hoarding Fees: Deposit per frontage of 10m ² or part thereof | R2000,00 |
| | Rental per frontage of 10m ² or part thereof | R 90,00 |
| (m) | Encroachments Balconies not used for living purposes or business purposes. | R 65,00 per 10m ² or part thereof. |
| | Balconies 75% enclosed and attached to business premises and not used or part thereof For business purposes. | R160,00 per 10m ² |
| | Balconies used for licensed business purposes. | R700,00 per 10m ² or part thereof. |
| | Verandah's | R 65,00 per annum |
| | Servitudes and Reserves | R105,00 per annum per 10m or part thereof. |

12. Town Planning Fees

| | |
|---|-----------|
| (a) Subdivision | |
| - Urban (1-5 Subs) | R 4000,00 |
| - Urban (6-10 Subs) | R 4450,00 |
| - Urban (Above 10 Subs) | R 5300,00 |
| - Rural (1-5 Subs) | R 5800,00 |
| - Rural (6-10 Subs) | R 6900,00 |
| - Rural (Above 10 Subs) | R 7800,00 |
| (b) Subdivision and Consolidation | R 5300,00 |
| Consolidation | R 4000,00 |
| (c) Special Consent | |
| - Self contained unit with advertising | R 2750,00 |
| - Self contained unit without advertising | R 1100,00 |
| - Other Applications | R 3750,00 |
| (d) Rezoning | |

| | |
|--|--|
| - less than 1 ha | R 4000,00 |
| - 1 ha but less than 5 ha | R 4500,00 |
| - 5 ha but less than 10 ha | R 5300,00 |
| - 1 | |
| 0 ha and above | R 6400,00 |
| (e) Extension of Scheme | R 4000,00 |
| Development Outside Scheme | |
| - 1 ha to 5 ha | R 4300,00 |
| - 6 ha to 10 ha | R 4800,00 |
| - 10 ha and above | R 5300,00 |
| (f) Alteration, Suspension and Removal of restrictive | |
| Conditions of title or conditions of establishment | R 3900,00 |
| If an applicant for any application is responsible for the advertising, circulation and postage, the application fee will be R 1500 plus VAT per application | |
| (g) Closure of Roads/Open Spaces | R 4000,00 |
| (h) Amend, Phasing, or Cancellation of layouts | R 4000,00 |
| (g) Extension of scheme | R 3900,00 |
| (i) Enforcement | |
| - Spot Fines – Any Illegal Use | R 1100,00 |
| - Thereafter per day | R 550,00 |
| (j) Spot Fine – Prohibited Use | R 1100,00 |
| - Thereafter per day | R 550,00 |
| (h) Other Fines: | |
| - Fines as per section 75 and 89 of the PDA | As per court order |
| - Additional penalties in accordance with section 76: | As per court order |
| - Section 89 Civil Penalties | 10 – 100% of value of illegal building construction etc. |

The above tariff excludes Vat.

13. Photocopies/Plotting Charges:

| | |
|--------------------------|---------|
| Copies made by scholars | R 0,60 |
| A4 Photocopy per page | R 1,00 |
| A3 Photocopy per page | R 2,00 |
| A1 G.I.S. print per page | R 4,00 |
| A4 Plotting costs | R 9,00 |
| A3 Plotting costs | R 30,00 |
| A2 Plotting costs | R 45,00 |
| A1 Plotting costs | R 80,00 |
| A0 Plotting costs | R150,00 |
| AO+Plotting costs | R180,00 |
| CD Plotting costs | R 60,00 |
| Digital Copies | R 30,00 |

Wide format Photocopying/plotting Charges

| | |
|-------------|--------|
| A0 size | R32,00 |
| A1 size | R22,00 |
| A2 size | R12,00 |
| A3 size | R1,50 |
| CD Plotting | R52,00 |

The above tariff excludes Vat

14. Hall Hire Charges:

HOWICK WEST HALL

1. Profit-making / commercial functions such as Banquet, Theatre and the likes:

| | TARIFFS |
|---|-----------|
| (a) MAIN HALL Charge per 5 hour session: | R 2000,00 |
| Deposit: | R 2000,00 |
| TOTAL | R 4000,00 |

| | TARIFFS |
|---|-----------|
| (b) Side Hall Charge per 5 hour session: | R 1000,00 |

| | |
|----------|-----------|
| | |
| Deposit: | R 1500,00 |
| TOTAL | R 2500,00 |

| | |
|--|-----------|
| | TARIFFS |
| © Main and Side Hall Charge per 5 hour session: | R 2000,00 |
| Deposit: | R 2000,00 |
| TOTAL: | R 4000,00 |

2. For activities relating to Elections:

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 2000,00 |
| Deposit: | R 2000,00 |
| TOTAL: | R 4000,00 |

| | |
|--|-----------|
| | TARIFFS |
| (b) Side Hall Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1500,00 |
| TOTAL | R 2500,00 |
| | TARIFFS |
| (c) Main and Side Hall Charge per 5 hour session: | R 2000,00 |
| Deposit: | R 2000,00 |
| TOTAL: | R 4000,00 |

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparation Time R400.00 per session

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 1000.00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

| | TARIFFS |
|---|-----------|
| (b) Side Hall Charge per hour session: | R 600,00 |
| Deposit: | R 600,00 |
| TOTAL: | R 1200,00 |

| | TARIFFS |
|--|-----------|
| (c) Main and Side Hall Charge per 5 hour session: | R 1500,00 |
| Deposit: | R 1500,00 |
| TOTAL: | R 3000,00 |

4. Social functions such as Weddings, Receptions, Parties, Choir performance and the likes:
Preparation Time R400.00 per session

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 1500,00 |
| Deposit: | R 1500,00 |
| TOTAL: | R 3000,00 |

| | TARIFFS |
|--|---------|
|--|---------|

| | |
|---|-----------|
| (b) Side Hall Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1500,00 |
| TOTAL | R 2500,00 |

| | |
|--|-----------|
| | TARIFFS |
| (c) Main and Side Hall Charge per 5 hour session: | R 1500,00 |
| Deposit: | R 1500,00 |
| TOTAL: | R 3000,00 |

HILTON HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:
Preparation time R250.00 per session

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 1500,00 |
| Deposit: | R 1500,00 |
| TOTAL: | R 3000,00 |

| | |
|---|-----------|
| | TARIFFS |
| (b) Verandah only Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1500,00 |
| TOTAL | R 2500,00 |

| | |
|---|-----------|
| | TARIFFS |
| (c) Main Hall and Verandah Charge per 5 hour session | R 1000,00 |
| Deposit: | R 1500,00 |

| | |
|--------|-----------|
| TOTAL: | R 2500,00 |
|--------|-----------|

2. For activities relating to Elections:

| | |
|----------------------------|-----------|
| | TARIFFS |
| (a) Main Hall | R 1500,00 |
| Charge per 5 hour session: | R 1500,00 |
| Deposit: | |
| TOTAL: | R 3000,00 |

| | |
|----------------------------|-----------|
| | TARIFFS |
| (a) Verandah only | R 1000.00 |
| Charge per 5 hour session: | |
| Deposit: | R 1500,00 |
| TOTAL: | R 2500,00 |

| | |
|----------------------------|-----------|
| | TARIFFS |
| © Main Hall and Verandah | R 2300,00 |
| Charge per 5 hour session: | |
| Deposit: | R 2300,00 |
| TOTAL: | R 4600,00 |

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparations time R300.00 per session

| | |
|----------------------------|-----------|
| | TARIFFS |
| (a) Main Hall | R 600,00 |
| Charge per 5 hour session: | |
| Deposit: | R 600,00 |
| TOTAL: | R 1200,00 |

| | TARIFFS |
|---|-----------|
| (b) Verandah only Charge per 5 hour session: | R 600,00 |
| Deposit: | R 600,00 |
| TOTAL: | R 1200,00 |

| | TARIFFS |
|--|-----------|
| (c) Main Hall and Verandah Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R 200.00 per session

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 1500,00 |
| Deposit: | R 1500,00 |
| TOTAL: | R 3000,00 |

| | TARIFFS |
|---|-----------|
| (b) Verandah only Charge per 5 hour session: | R 600,00 |
| Deposit: | R 1500,00 |
| TOTAL: | R 2100,00 |

| | TARIFFS |
|--|-----------|
| (c) Main Hall and Verandah Charge per 5 hour session: | R 1500,00 |
| Deposit: | R 1500,00 |

| | |
|--------|-----------|
| TOTAL: | R 3000,00 |
|--------|-----------|

MPOPHOMENI HALL AND YOUTH THEATRE

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

2. For activities relating to elections:

| | |
|---|----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R1000,00 |
| Deposit: | R1000.00 |
| TOTAL: | R2000,00 |

3. Fundraising, sporting, religious, political and cultural, and educational functions:

| | |
|----------|-----------|
| | TARIFFS |
| | R 600,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 1600,00 |

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R200.00 per session

| | |
|--|---------|
| | TARIFFS |
|--|---------|

| | |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

HOWICK SOUTH HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | |
|---|-----------|
| | TARIFFS |
| (b) Main Hall Charge per 5 hour session: | R 600,00 |
| Deposit: | R 600,00 |
| TOTAL: | R 1200,00 |

2. For activities relating to Elections:
Preparation time R100.00 per session

| | |
|---|------------------|
| | PROPOSED TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 500,00 |
| Deposit: | R 500,00 |
| TOTAL: | R 1000,00 |

3. Fundraising, sporting, religious, political and cultural, and educational functions:
Preparation time R 100.00 per session

| | |
|---|----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 500,00 |
| Deposit: | R 500,00 |
| TOTAL: | R1000,00 |

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R200.00 per session

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 500,00 |
| Deposit: | R 500,00 |
| TOTAL: | R 1000,00 |

KWA-MEVANA HALL

5. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | TARIFFS |
|---|-----------|
| (b) Main Hall Charge per hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

6. For activities relating to elections:

| | TARIFFS |
|---|----------|
| (b) Main Hall Charge per 5 hour session: | R1000,00 |
| Deposit: | R1000,00 |
| TOTAL: | R2000,00 |

7. Fundraising, sporting, religious, political and cultural, and educational functions:

| | TARIFFS |
|----------|-----------|
| | R 600,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 1600,00 |

8. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R250.00 per session

| | TARIFFS |
|---|-----------|
| (c) Main Hall Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

LIDGETON HALL

9. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | TARIFFS |
|---|-----------|
| (c) Main Hall Charge per hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

10. For activities relating to elections:

| | TARIFFS |
|---|-----------|
| (c) Main Hall Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

11. Fundraising, sporting, religious, political and cultural, and educational functions:

| | TARIFFS |
|----------|-----------|
| | R 600,00 |
| Deposit: | R 1000,00 |

| | |
|--------|-----------|
| TOTAL: | R 1600,00 |
|--------|-----------|

12. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R250.00 per session

| | |
|---|-----------|
| | TARIFFS |
| (d) Main Hall Charge per 5 hour session: | R 1000,00 |
| Deposit: | R 1000,00 |
| TOTAL: | R 2000,00 |

13. Fees for the use of the Dorris Robbins Room at the Howick Library:

- (a) Promotion of culture i.e. Book discussions, art evaluation or educational instruction Free
- (b) Religious services and charitable institutions R 150,00 per session
- (c) Commercial undertakings R300,00 per session

These fees are per session. Morning session 8am to 12 noon and afternoon session 1pm to 5 pm

NOTE: (i) Functions of Provincial and National acclaimed artists are NOT covered on these tariffs as written requests will have to be made to the Municipality.

- (ii) A cancellation fee of 15% of the hire charge will be applicable should the booking be cancelled one month before the event. Should a request for cancellation be received at any time 2 weeks prior to the date of the event, the hire charge or deposit will be forfeited.

15. Animal Pound Charges

- (a) Transport of animal by LDV or Truck - R4,50 per Kilometer per animal
- (b) Veterinary Services rendered - Cost plus 10%
- (c) Pound Fees/Holding Fees - Large Animals e.g. Cattle R80,00 per day
- Small Animals e.g. Sheep R50,00 per day
- (d) Administration Fee - R150,00 per animal

16. uMngeni Municipality Sports Complex

Field 1

| | | | |
|------------------------------|---------|---|----------|
| <u>Ad-hoc day Activities</u> | Deposit | = | R1500,00 |
| | Charge | = | R 200,00 |

| | | | | |
|----|---------------------------------------|----------------|---|-----------------|
| | <u>Ad-hoc Night Activities</u> | Deposit | = | R1500,00 |
| | | Charge | = | R 350,00/hr |
| | <u>Season Bookings Day</u> | Deposit | = | R2500,00 |
| | | Charge p/day | = | R 80,00 |
| | <u>Season Booking Night</u> | Deposit | = | R2500,00/Season |
| | | Charge p/night | = | R 200,00/hr |
| 2. | <u>Field 2</u> | | | |
| | <u>Ad – hoc Day</u> | Deposit | = | R1500,00 |
| | | Charge | = | R 80,00 |
| | <u>Ad-hoc Night</u> | Deposit | = | R1500,00 |
| | | Charge | = | R 80,00/hr |
| | <u>Season Booking Day</u> | Deposit | = | R2500,00/Season |
| | | Charge | = | R 50,00/Day |
| | <u>Season Booking Night</u> | Deposit | = | R2500,00/Season |
| | | Charge | = | R 60,00/hr |
| 3. | <u>Indoor Centre</u> | | | |
| | <u>Ad-hoc (Lights Day & Night</u> | Deposit | = | R1500,00 |
| | | Charge | = | R 150,00/hr |
| | <u>Season Booking</u> | Deposit | = | R2500,00 |
| | | Charge | = | R 150,00/hr |
| 4. | <u>Bar and Restaurant</u> | | | |
| | Electricity | = | As metered | |
| | Water | = | As metered | |
| | Lease | = | As per Bid | |
| | Deposit | = | R8000,00/year | |
| | Maintenance | = | Clean entire grand stand facility | |
| | Admin responsibility | = | Report to Municipality on users monthly | |

5. Gym

| | | |
|------------------------|---|---|
| Electricity | = | As metered |
| Water | = | As metered |
| Lease | = | As per Bid |
| Deposit | = | R8000,00/year |
| Maintenance | = | Clean entire Indoor Centre |
| Admin Responsibilities | = | Report to Municipality on users monthly |

Interest on all arrear accounts will be charged at the rate of 1% per month and any part of a month shall be considered as a full month.

The date on which this notice was first displayed on the municipal notice board is 1 June 2013

These tariffs will come into operation on 1 July 2013.

M B Ngubane

Municipal Manager

uMngeni Municipality

P O Box 5

HOWICK

3290

MUNICIPAL NOTICE NO: .../ 2013**ASSESSMENT OF GENERAL RATES FOR 2013/ 2014**

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken on 29 May 2013 the Council of uMngeni Municipality has resolved to determine the rates payable on all ratable property within the area of uMngeni Municipality for the financial year 1 July 2013 to 30 June 2014 at 1.37 cents in the rand on the market value of the property as stated in the valuation roll.

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Rates will be payable monthly in twelve (12) equal installments with the first installment payable on 31 July 2013 and the last installment payable on the 30 June 2014.
2. The date on which the determination of rates came into operation is 01 July 2013.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. A collection fee of 10% will be raised on the amount outstanding on 28 February 2014.
6. The date on which the notice was first displayed on the Municipal Notice Board is 1 June 2013.
7. This notice is also available on uMngeni Municipality's website www.umngeni.gov.za

M.B. NGUBANE
MUNICIPAL MANAGER
PO BOX 5
HOWICK, 3290

2.14 Municipal manager's quality certificate



uMngeni Municipality

3290

Howick, South Africa

Te: +27 (33) 239 9200

Fax: +27 (33) 330 4183

Email: manager@umngeni.gov.za

Website: www.umngeni.gov.za

Our Ref.:

Your Ref.:

Office of the Municipal Manager

Quality certificate

I, Mpilo Brilliance Ngubane, Municipal Manager of uMngeni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME

MPILO BRILLIANCE NGUBANE

MUNICIPAL MANAGER OF

UMNGENI MUNICIPALITY (KZ222)

SIGNATURE

DATE

27 MARCH 2013

